



General Assembly

Substitute Bill No. 1135

January Session, 2015



**AN ACT CONCERNING THE MANAGEMENT OF REVENUE
VOLATILITY.**

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

1 Section 1. Section 4-30a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) (1) For the purposes of this section, "combined revenue" means
4 revenue in any given fiscal year from estimated and final payments of
5 the personal income tax imposed under chapter 229 plus the revenue
6 from the corporation business tax imposed under chapter 208.

7 (2) There is established a Budget Reserve Fund and a Restricted
8 Grants Fund for the purposes of this section.

9 [(a)] (3) After the accounts for the General Fund have been closed
10 for each fiscal year and the Comptroller has determined the amount of
11 unappropriated surplus in [said fund] the General Fund, after any
12 amounts required by provision of law to be transferred for other
13 purposes have been deducted, the amount of such surplus and the
14 amount transferred to the Restricted Grants Fund pursuant to
15 subdivision (4) of this subsection shall be transferred by the State
16 Treasurer to [a special fund to be known as] the Budget Reserve Fund.

17 (4) (A) Commencing in the fiscal year ending June 30, 2017, (i) if,

18 under the consensus revenue estimate maintained or revised not later
19 than January fifteenth annually pursuant to subsection (b) of section 2-
20 36c, as amended by this act, the year-end projection of combined
21 revenue for the current fiscal year is greater than the threshold level
22 for deposits to the Budget Reserve Fund reported pursuant to
23 subsection (f) of section 2-36c, as amended by this act, for the current
24 fiscal year, the amount that is projected to be over the threshold level
25 for deposits to the Budget Reserve Fund shall be transferred by the
26 State Treasurer from the General Fund to the Restricted Grants Fund
27 not later than January thirty-first.

28 (ii) If, under the consensus revenue estimate maintained or revised
29 not later than April thirtieth annually pursuant to subsection (b) of
30 section 2-36c, as amended by this act, the year-end projection of
31 combined revenue is revised upward, the difference in the combined
32 revenue projection from January fifteenth to April thirtieth shall be
33 transferred by the State Treasurer from the General Fund to the
34 Restricted Grants Fund not later than May fifteenth. If such year-end
35 projection is revised downward, the difference in the combined
36 revenue projection from January fifteenth to April thirtieth shall be
37 transferred back to the General Fund from the Restricted Grants Fund
38 not later than May fifteenth, unless the revised combined revenue
39 projection is less than the threshold level for deposits to the Budget
40 Reserve Fund reported pursuant to subsection (f) of section 2-36c, as
41 amended by this act, in which case only the difference between the
42 combined revenue projection from January fifteenth and the calculated
43 threshold for deposits to the Budget Reserve Fund shall be transferred
44 back to the General Fund from the Restricted Grants Fund.

45 (B) (i) If, under the consensus revenue estimate maintained or
46 revised not later than January fifteenth annually pursuant to
47 subsection (b) of section 2-36c, as amended by this act, the year-end
48 projection of combined revenue for the current fiscal year is equal to or
49 less than the threshold level for deposits to the Budget Reserve Fund
50 reported pursuant to subsection (f) of section 2-36c, as amended by this

51 act, for the current fiscal year, no transfer to the Restricted Grants Fund
52 shall be made.

53 (ii) If, under the consensus revenue estimate maintained or revised
54 not later than April thirtieth annually pursuant to subsection (b) of
55 section 2-36c, as amended by this act, the year-end projection of
56 combined revenue is revised upward to an amount greater than the
57 threshold level for deposits to the Budget Reserve Fund reported
58 pursuant to subsection (f) of section 2-36c, as amended by this act, the
59 difference between the combined revenue projection in April and the
60 calculated threshold for deposits to the Budget Reserve Fund shall be
61 transferred by the State Treasurer from the General Fund to the
62 Restricted Grants Fund not later than May fifteenth. If such year-end
63 projection is revised upward but not to an amount greater than the
64 threshold level for deposits to the Budget Reserve Fund calculated
65 pursuant to subsection (f) of section 2-36c, as amended by this act, or is
66 revised downward or remains unchanged, no transfer shall be made.

67 (C) If the consensus revenue estimate on either January fifteenth or
68 April thirtieth projects a year-end General Fund deficit for the current
69 fiscal year, no transfer to the Restricted Grants Fund shall be made.

70 (5) Commencing in the fiscal year ending June 30, 2016, the
71 Comptroller shall certify the threshold level for deposits to the Budget
72 Reserve Fund pursuant to section 3-115, as amended by this act, by
73 determining: (A) Combined revenue for each of the prior twenty fiscal
74 years; (B) the ten-year average for the current fiscal year; (C) the ten-
75 year average for each of the ten fiscal years preceding the current fiscal
76 year; (D) the differential for each of the ten fiscal years preceding the
77 current fiscal year; (E) the average of the differentials calculated
78 pursuant to subparagraph (D) of this subdivision; and (F) the number
79 calculated in subparagraph (E) of this subdivision and adding the
80 number one. The threshold level for deposits to the Budget Reserve
81 Fund shall be the number calculated by multiplying the number
82 calculated under subparagraph (B) of this subdivision by the number
83 calculated under subparagraph (F) of this subdivision. For the

84 purposes of this subdivision, "ten-year average" means the average of
85 combined revenue from the ten fiscal years preceding any given fiscal
86 year; and "differential" means the difference between the actual
87 combined revenue from any given fiscal year and the ten-year average
88 for that same fiscal year, divided by the ten-year average for that fiscal
89 year.

90 [When] (6) Whenever the amount in [said fund] the Budget Reserve
91 Fund equals [ten] fifteen per cent or more of the net General Fund
92 appropriations for the [fiscal year in progress] current fiscal year, no
93 further transfers shall be made by the Treasurer to [said fund] the
94 Budget Reserve Fund and the amount of such surplus in excess of that
95 transferred to said fund shall be deemed to be appropriated to the
96 State Employees Retirement Fund, in addition to the contributions
97 required pursuant to section 5-156a, but not exceeding five per cent of
98 the unfunded past service liability of the system as set forth in the most
99 recent actuarial valuation certified by the Retirement Commission.
100 [Such] Commencing in the fiscal year ending June 30, 2017: Whenever
101 the amount in the Budget Reserve Fund equals ten per cent or more
102 but less than fifteen per cent of the net General Fund appropriation for
103 the current fiscal year, fifteen per cent of any amount transferred to the
104 Budget Reserve Fund shall be transferred to the State Employees
105 Retirement Fund; whenever the amount in the Budget Reserve Fund
106 equals five per cent or more but less than ten per cent of the net
107 General Fund appropriation for the current fiscal year, ten per cent of
108 any amount transferred to the Budget Reserve Fund shall be
109 transferred to the State Employees Retirement Fund; and whenever the
110 amount in the Budget Reserve Fund is less than five per cent of the net
111 General Fund appropriation for the current fiscal year, five per cent of
112 any amount transferred to the Budget Reserve Fund shall be
113 transferred to the State Employees Retirement Fund.

114 (7) Any surplus in excess of the amounts transferred to the Budget
115 Reserve Fund and the state employees retirement system shall be
116 deemed to be appropriated for: [(1)] (A) Redeeming prior to maturity

117 any outstanding indebtedness of the state selected by the Treasurer in
118 the best interests of the state; [(2)] (B) purchasing outstanding
119 indebtedness of the state in the open market at such prices and on such
120 terms and conditions as the Treasurer shall determine to be in the best
121 interests of the state for the purpose of extinguishing or defeasing such
122 debt; [(3)] (C) providing for the defeasance of any outstanding
123 indebtedness of the state selected by the Treasurer in the best interests
124 of the state by irrevocably placing with an escrow agent in trust an
125 amount to be used solely for, and sufficient to satisfy, scheduled
126 payments of both interest and principal on such indebtedness; or [(4)]
127 (D) any combination of [these] the methods set forth in subparagraph
128 (A), (B) or (C) of this subdivision. Pending the use or application of
129 such amount for the payment of interest and principal, such amount
130 may be invested in [(A)] (i) direct obligations of the United States
131 government, including state and local government treasury securities
132 that the United States Treasury issues specifically to provide state and
133 local governments with required cash flows at yields that do not
134 exceed Internal Revenue Service arbitrage limits, [(B)] (ii) obligations
135 guaranteed by the United States government, and [(C)] (iii) securities
136 backed by United States government obligations as collateral and for
137 which interest and principal payments on the collateral generally flow
138 immediately through to the security holder.

139 (b) Moneys in [said] the Budget Reserve Fund shall be maintained
140 and invested for the purpose of reducing revenue volatility in the
141 General Fund and reducing the need for increases in tax revenue and
142 reductions in state aid due to economic changes, and shall be
143 expended only as provided in this subsection. [When] Whenever in
144 any fiscal year the Comptroller has determined the amount of a deficit
145 applicable with respect to the immediately preceding fiscal year, to the
146 extent necessary, the amount of funds credited to [said] the Budget
147 Reserve Fund shall be deemed to be appropriated for purposes of
148 funding such deficit. Commencing in the fiscal year ending June 30,
149 2017, if the consensus revenue estimate on April thirtieth pursuant to
150 section 2-36c, as amended by this act, projects a two per cent decline in

151 General Fund tax revenues from the current fiscal year to the
152 subsequent fiscal year, the General Assembly may transfer funds from
153 the Budget Reserve Fund to the General Fund in each of the
154 subsequent three fiscal years.

155 (c) The Treasurer is authorized to invest all or any part of [said
156 fund] the Budget Reserve Fund or the Restricted Grants Fund in
157 accordance with the provisions of section 3-31a. The interest derived
158 from the investment of said [fund] funds shall be credited to the
159 General Fund.

160 (d) No bill which, if passed, would reduce or eliminate the amount
161 of any deposit to the Budget Reserve Fund or the Restricted Grants
162 Fund as set forth in this section, shall be enacted by the General
163 Assembly without an affirmative vote of at least three-fifths of the
164 members of the joint standing committee of the General Assembly
165 having cognizance of matters relating to appropriations and the
166 budgets of state agencies and at least three-fifths of the members of the
167 joint standing committee of the General Assembly having cognizance
168 of matters relating to state finance, revenue and bonding.

169 (e) Not later than December 15, 2020, and every five years thereafter,
170 the Secretary of the Office of Policy and Management, the director of
171 the legislative Office of Fiscal Analysis and the State Comptroller shall
172 each submit a report, in accordance with section 11-4a, to the joint
173 standing committee of the General Assembly having cognizance of
174 matters relating to revenue and the Governor on the Budget Reserve
175 Fund deposit formula set forth in this section. The reports shall include
176 an analysis of the formula's impact on General Fund tax revenue
177 volatility, the adequacy of deposits required by the formula to replace
178 potential future revenue declines resulting from economic downturns,
179 the amount of additional payments toward unfunded liability made as
180 a result of the formula, and an analysis of the adequacy of the
181 maximum cap on Budget Reserve Fund balances. The reports shall
182 include recommended changes, if any, to the deposit formula or
183 maximum balance cap that are consistent with the purposes of the

184 Budget Reserve Fund as set forth in subsection (b) of this section.

185 Sec. 2. Section 4-85 of the general statutes is repealed and the
186 following is substituted in lieu thereof (*Effective July 1, 2015*):

187 (a) Before an appropriation becomes available for expenditure, each
188 budgeted agency shall submit to the Governor through the Secretary of
189 the Office of Policy and Management, not less than twenty days before
190 the beginning of the fiscal year for which such appropriation was
191 made, a requisition for the allotment of the amount estimated to be
192 necessary to carry out the purposes of such appropriation during each
193 quarter of such fiscal year. Commencing with the fiscal year ending
194 June 30, 2011, the initial allotment requisition for each line item
195 appropriated to the legislative branch and to the judicial branch for
196 any fiscal year shall be based upon the amount appropriated to such
197 line item for such fiscal year minus any amount of budgeted
198 reductions to be achieved by such branch for such fiscal year pursuant
199 to subsection (c) of section 2-35, as amended by this act.
200 Appropriations for capital outlays may be allotted in any manner the
201 Governor deems advisable. Such requisition shall contain any further
202 information required by the Secretary of the Office of Policy and
203 Management. The Governor shall approve such requisitions, subject to
204 the provisions of subsection (b) of this section.

205 (b) Any allotment requisition and any allotment in force shall be
206 subject to the following: (1) If the Governor determines that due to a
207 change in circumstances since the budget was adopted certain
208 reductions should be made in allotment requisitions or allotments in
209 force or that estimated budget resources during the fiscal year will be
210 insufficient to finance all appropriations in full, the Governor may
211 modify such allotment requisitions or allotments in force to the extent
212 the Governor deems necessary. Before such modifications are effected
213 the Governor shall file a report with the joint standing committee
214 having cognizance of matters relating to appropriations and the
215 budgets of state agencies and the joint standing committee having
216 cognizance of matters relating to state finance, revenue and bonding

217 describing the change in circumstances which makes it necessary that
218 certain reductions should be made or the basis for [his] the Governor's
219 determination that estimated budget resources will be insufficient to
220 finance all appropriations in full. (2) If the cumulative monthly
221 financial statement issued by the Comptroller pursuant to section 3-
222 115, as amended by this act, includes a projected General Fund deficit
223 greater than one per cent of the total of General Fund appropriations,
224 the Governor, within thirty days following the issuance of such
225 statement, shall file a report with such joint standing committees,
226 including a plan which [he] the Governor shall implement to modify
227 such allotments to the extent necessary to prevent a deficit. No
228 modification of an allotment requisition or an allotment in force made
229 by the Governor pursuant to this subsection shall result in a reduction
230 of more than three per cent of the total appropriation from any fund or
231 more than five per cent of any appropriation, except such limitations
232 shall not apply in time of war, invasion or emergency caused by
233 natural disaster. If the Comptroller has projected a General Fund
234 deficit greater than one per cent of the total of General Fund
235 appropriations and any funds have been transferred to the Restricted
236 Grants Fund pursuant to section 4-30a, as amended by this act, the
237 Governor may direct the Treasurer to transfer those funds to the
238 General Fund as part of the Governor's plan to prevent a deficit
239 pursuant to this section.

240 (c) If a plan submitted in accordance with subsection (b) of this
241 section indicates that a reduction of more than three per cent of the
242 total appropriation from any fund or more than five per cent of any
243 appropriation is required to prevent a deficit, the Governor may
244 request that the Finance Advisory Committee approve any such
245 reduction, provided any modification which would result in a
246 reduction of more than five per cent of total appropriations shall
247 require the approval of the General Assembly.

248 (d) The secretary shall submit copies of allotment requisitions thus
249 approved or modified or allotments in force thus modified, with the

250 reasons for any modifications, to the administrative heads of the
251 budgeted agencies concerned, to the Comptroller and to the joint
252 standing committee of the General Assembly having cognizance of
253 appropriations and matters relating to the budgets of state agencies,
254 through the Office of Fiscal Analysis. The Comptroller shall set up
255 such allotments on the Comptroller's books and be governed thereby
256 in the control of expenditures of budgeted agencies.

257 (e) The provisions of this section shall not be construed to authorize
258 the Governor to reduce allotment requisitions or allotments in force
259 concerning (1) aid to municipalities; or (2) any budgeted agency of the
260 legislative or judicial branch, except that the Governor may propose an
261 aggregate allotment reduction of a specified amount in accordance
262 with this section for the legislative or judicial branch. If the Governor
263 proposes to reduce allotment requisitions or allotments in force for any
264 budgeted agency of the legislative or judicial branch, the Secretary of
265 the Office of Policy and Management shall, at least five days before the
266 effective date of such proposed reductions, notify the president pro
267 tempore of the Senate and the speaker of the House of Representatives
268 of any such proposal affecting the legislative branch and the Chief
269 Justice of the Supreme Court of any such proposal affecting the judicial
270 branch. Such notification shall include the amounts, effective dates and
271 reasons necessitating the proposed reductions. Not later than three
272 days after receipt of such notification, the president pro tempore or the
273 speaker, or both, or the Chief Justice, as appropriate, may notify the
274 Secretary of the Office of Policy and Management and the chairpersons
275 and ranking members of the joint standing committee of the General
276 Assembly having cognizance of matters relating to appropriations and
277 the budgets of state agencies, in writing, of any objection to the
278 proposed reductions. The committee may hold a public hearing on
279 such proposed reductions. Such proposed reductions shall become
280 effective unless they are rejected by a two-thirds vote of the members
281 of the committee not later than fifteen days after receipt of the
282 notification of objection to the proposed reductions. If the committee
283 rejects such proposed reductions, the Secretary of the Office of Policy

284 and Management shall present an alternative plan to achieve such
285 reductions to the president pro tempore and the speaker for any such
286 proposal affecting the legislative branch or to the Chief Justice for any
287 such proposal affecting the judicial branch. If proposed reductions in
288 allotment requisitions or allotments in force for any budgeted agency
289 of the legislative or judicial branch are not rejected, such reductions
290 shall be achieved as determined by the Joint Committee on Legislative
291 Management or the Chief Justice, as appropriate. The Joint Committee
292 on Legislative Management or the Chief Justice, as appropriate, shall
293 submit such reductions to the Governor through the Secretary of the
294 Office of Policy and Management not later than ten days after the
295 proposed reductions become effective.

296 Sec. 3. Section 3-115 of the general statutes is repealed and the
297 following is substituted in lieu thereof (*Effective July 1, 2015*):

298 The Comptroller shall prepare all accounting statements relating to
299 the financial condition of the state as a whole, the condition and
300 operation of state funds, appropriations, reserves and costs of
301 operations; shall furnish such statements when they are required for
302 administrative purposes; and shall issue cumulative monthly financial
303 statements concerning the state's General Fund which shall include a
304 statement of revenues and expenditures to the end of the
305 last-completed month together with the statement of estimated
306 revenue by source to the end of the fiscal year and the statement of
307 appropriation requirements of the state's General Fund to the end of
308 the fiscal year furnished pursuant to section 4-66 and itemized as far as
309 practicable for each budgeted agency, including estimates of lapsing
310 appropriations, unallocated lapsing balances and unallocated
311 appropriation requirements. The Comptroller shall provide such
312 statements, in the same form and in the same categories as appears in
313 the budget act enacted by the General Assembly, on or before the first
314 day of the following month. The Comptroller shall submit a copy of
315 the monthly trial balance and monthly analysis of expenditure run to
316 the legislative Office of Fiscal Analysis. On or before September

317 thirtieth, annually, the Comptroller shall submit a report, prepared in
318 accordance with generally accepted accounting principles, to the
319 Governor which shall include (1) a statement of all appropriations and
320 expenditures of the public funds during the fiscal year next preceding
321 itemized by each appropriation account of each budgeted agency; (2) a
322 statement of the revenues of the state classified as far as practicable as
323 to budgeted agencies, sources and funds during such year; (3) a
324 statement setting forth the total tax receipts of the state during such
325 year; (4) a balance sheet setting forth, as of the close of such year, the
326 financial condition of the state as to its funds; (5) a statement certifying
327 the threshold level for deposits to the Budget Reserve Fund under
328 subdivision (5) of subsection (a) of section 4-30a, as amended by this
329 act, for the current fiscal year; and (6) such other information as will, in
330 the Comptroller's opinion, be of interest to the public or as will convey
331 to the General Assembly and the Governor the essential facts as to the
332 financial condition and operations of the state government. The annual
333 report of the Comptroller shall be published and made available to the
334 public on or before the thirty-first day of December.

335 Sec. 4. Section 2-35 of the general statutes is repealed and the
336 following is substituted in lieu thereof (*Effective July 1, 2015*):

337 (a) All bills carrying or requiring appropriations and favorably
338 reported by any other committee, except for payment of claims against
339 the state, shall, before passage, be referred to the joint standing
340 committee of the General Assembly having cognizance of matters
341 relating to appropriations and the budgets of state agencies, unless
342 such reference is dispensed with by a vote of at least two-thirds of each
343 house of the General Assembly. Resolutions paying the contingent
344 expenses of the Senate and House of Representatives shall be referred
345 to said committee. Said committee may originate and report any bill
346 which it deems necessary and shall, in each odd-numbered year,
347 report such appropriation bills as it deems necessary for carrying on
348 the departments of the state government and for providing for such
349 institutions or persons as are proper subjects for state aid under the

350 provisions of the statutes, for the ensuing biennium. In each even-
351 numbered year, the committee shall originate and report at least one
352 bill which adjusts expenditures for the ensuing fiscal year in such
353 manner as it deems appropriate. Each appropriation bill shall specify
354 the particular purpose for which appropriation is made and shall be
355 itemized as far as practicable. The state budget act may contain any
356 legislation necessary to implement its appropriations provisions,
357 provided no other general legislation shall be made a part of such act.

358 (b) The state budget act passed by the legislature for funding the
359 expenses of operations of the state government in the ensuing
360 biennium shall contain a statement of estimated revenue, based upon
361 the most recent consensus revenue estimate or the revised consensus
362 revenue estimate issued pursuant to section 2-36c, as amended by this
363 act, itemized by major source, for each appropriated fund.
364 Commencing in the fiscal year ending June 30, 2016, such itemization
365 shall include the estimate for each major component of the personal
366 income tax imposed pursuant to chapter 229 as follows: Withholding
367 payments, estimated payments and final payments. The statement of
368 estimated revenue applicable to each such fund shall include, for any
369 fiscal year, an estimate of total revenue with respect to such fund,
370 which amount shall be reduced by (1) an estimate of total refunds of
371 taxes to be paid from such revenue in accordance with the
372 authorization in section 12-39f, and (2) an estimate of total refunds of
373 payments to be paid from such revenue in accordance with the
374 provisions of sections 3-70a and 4-37. Such statement of estimated
375 revenue, including the estimated refunds of taxes to be offset against
376 such revenue, shall be supplied by the joint standing committee of the
377 General Assembly having cognizance of matters relating to state
378 finance, revenue and bonding. The total estimated revenue for each
379 fund, as adjusted in accordance with this section, shall not be less than
380 the total net appropriations made from each fund plus, for the fiscal
381 year ending June 30, 2014, and each fiscal year thereafter, the amount
382 necessary to extinguish any unassigned negative balance in each fund
383 as reported in the most recently audited comprehensive annual

384 financial report issued by the Comptroller prior to the start of the fiscal
385 year, reduced, in the case of the General Fund, by (A) the negative
386 unassigned fund balance, as reported by the Comptroller for the fiscal
387 year ending June 30, 2013, then unamortized pursuant to section 3-
388 115b, and (B) any funds from other resources deposited in the General
389 Fund for the purpose of reducing the negative unassigned balance of
390 the fund. On or before July first of each fiscal year said committee
391 shall, if any revisions in such estimates are required by virtue of
392 legislative amendments to the revenue measures proposed by said
393 committee, changes in conditions or receipt of new information since
394 the original estimate was supplied, meet and revise such estimates
395 and, through its cochairpersons, report to the Comptroller any such
396 revisions.

397 (c) If the state budget act passed by the legislature for funding the
398 expenses of operations of the state government in the ensuing
399 biennium or making adjustments to a previously adopted biennial
400 budget contains state-wide budgeted reductions not allocated by a
401 budgeted agency, such act shall specify the amount of such budgeted
402 reductions to be achieved in each branch of state government.

403 Sec. 5. Section 2-36c of the general statutes is repealed and the
404 following is substituted in lieu thereof (*Effective July 1, 2015*):

405 (a) Not later than November tenth annually, the Secretary of the
406 Office of Policy and Management and the director of the legislative
407 Office of Fiscal Analysis shall issue the consensus revenue estimate for
408 the current biennium and the next ensuing three fiscal years. Such
409 revenue shall be itemized in accordance with the provisions of
410 subsection (b) of section 2-35, as amended by this act. If no agreement
411 on a revenue estimate is reached by November tenth, (1) the Secretary
412 of the Office of Policy and Management and the director of the
413 legislative Office of Fiscal Analysis shall each issue an estimate of state
414 revenues for the current biennium and the next ensuing three fiscal
415 years, and (2) the Comptroller shall, not later than November
416 twentieth, issue the consensus revenue estimate for the current

417 biennium and the next ensuing three fiscal years. In issuing the
418 consensus revenue estimate required by this subsection, the
419 Comptroller shall consider such revenue estimates provided by the
420 Office of Policy and Management and the legislative Office of Fiscal
421 Analysis, and shall issue the consensus revenue estimate based on
422 such revenue estimates, in an amount that is equal to or between such
423 revenue estimates.

424 (b) Not later than January fifteenth annually and April thirtieth
425 annually, the Secretary of the Office of Policy and Management and
426 the director of the legislative Office of Fiscal Analysis shall issue
427 revisions to the consensus revenue estimate developed pursuant to
428 subsection (a) of this section, or a statement that no revisions are
429 necessary. If no agreement on revisions to the consensus revenue
430 estimate revenue estimate is reached by the required date, (1) the
431 Secretary of the Office of Policy and Management and the director of
432 the Office of Fiscal Analysis shall each issue a revised estimate of state
433 revenues for the current biennium and the next ensuing three fiscal
434 years, and (2) the Comptroller shall, not later than five days after the
435 failure to issue revisions to the consensus revenue estimate, issue the
436 revised consensus revenue estimate. In issuing the revised consensus
437 revenue estimate required by this subsection, the Comptroller shall
438 consider such revised revenue estimates provided by the Office of
439 Policy and Management and the legislative Office of Fiscal Analysis,
440 and shall issue the revised consensus revenue estimate based on such
441 revised revenue estimates, in an amount that is equal to or between
442 such revised revenue estimates.

443 (c) If (1) a revised consensus revenue estimate pursuant to
444 subsection (b) of this section is issued in January or April of any fiscal
445 year, (2) such revised consensus revenue estimate has changed from
446 the previous consensus revenue estimate or revised consensus revenue
447 estimate to forecast a deficit or an increase in a deficit either of which is
448 greater than one per cent of the total of General Fund appropriations
449 for the current year, (3) a budget for the prospective fiscal year has not

450 become law, and (4) the General Assembly is in session, then the
451 General Assembly and the Governor shall take such action as provided
452 in subsection (d) of this section.

453 (d) (1) The joint standing committees of the General Assembly
454 having cognizance of matters relating to appropriations and finance,
455 revenue and bonding shall, on or before the tenth business day after a
456 revised consensus revenue estimate is issued in April pursuant to
457 subsection (c) of this section, prepare and vote on adjusted
458 appropriation and revenue plans, if necessary to address such revised
459 consensus revenue estimate.

460 (2) The Governor shall provide the General Assembly with a budget
461 document, prepared in accordance with the requirements of section 4-
462 74, if necessary to address the most recent consensus revenue estimate
463 or revised consensus revenue estimate issued pursuant to subsection
464 (b) or (c) of this section. The budget document required by this
465 subdivision shall be issued not later than twenty-five calendar days
466 after a revised consensus revenue estimate is issued in January, and
467 not later than ten calendar days after a revised consensus revenue
468 estimate is issued in April.

469 (e) Notwithstanding the provisions of subsections (a) to (d),
470 inclusive, of this section, if any deadline imposed pursuant to said
471 subsections (a) to (d), inclusive, falls on a Saturday, Sunday or legal
472 holiday, such deadline shall be extended to the next business day.

473 (f) (1) Commencing in the fiscal year ending June 30, 2016, not later
474 than November tenth annually, the Secretary of the Office of Policy
475 and Management and the director of the legislative Office of Fiscal
476 Analysis shall each report the threshold level for deposits to the
477 Budget Reserve Fund in the current fiscal year as certified by the
478 Comptroller on September thirtieth pursuant to section 3-115, as
479 amended by this act, unless any public act that has been enacted has an
480 estimated revenue impact pursuant to section 2-24a, as amended by
481 this act, of greater than one per cent of tax revenue from the estimated

482 and final portion of the personal income tax imposed under chapter
483 229 or one per cent of tax revenue from the corporation business tax
484 imposed under chapter 208, in which case the Secretary of the Office of
485 Policy and Management and the director of the legislative Office of
486 Fiscal Analysis shall report a threshold level for deposits to the Budget
487 Reserve Fund that is adjusted to account for such revenue impact.

488 (2) If any revision in the January or April consensus revenue
489 estimate for the current fiscal year impacts the estimated and final
490 payments portion of the personal income tax imposed under chapter
491 229 or the corporation business tax imposed under chapter 208, the
492 Secretary of the Office of Policy and Management and the director of
493 the legislative Office of Fiscal Analysis may recalculate any adjustment
494 made to the threshold level for deposits to the Budget Reserve Fund
495 pursuant to subdivision (1) of this subsection and shall report such
496 revised threshold in the January and April consensus revenue
497 estimates, if applicable.

498 (3) Any such adjustment may be continued to be made to the
499 threshold level for deposits to the Budget Reserve Fund certified
500 pursuant to section 3-115, as amended by this act, until ten fiscal years
501 have passed from the date of implementation of a public act that
502 created the revenue impact or until there is no longer a revenue impact
503 pursuant to section 2-24a, as amended by this act, of greater than one
504 per cent of tax revenue from the estimated and final portion of the
505 personal income tax imposed under chapter 229 or one per cent of tax
506 revenue from the corporation business tax imposed under chapter 208,
507 whichever occurs first. The secretary and director shall detail any such
508 adjustment in the report with information on how the secretary and
509 director determined the revenue impact and how the secretary and
510 director used that information to adjust the threshold level for deposits
511 to the Budget Reserve Fund. The secretary and director of the
512 legislative Office of Fiscal Analysis shall each also report the estimated
513 threshold level for deposits to the Budget Reserve Fund for the next
514 ensuing three fiscal years in accordance with the formula set forth in

515 subdivision (1) of this subsection.

516 Sec. 6. Section 2-24a of the general statutes is repealed and the
517 following is substituted in lieu thereof (*Effective July 1, 2015*):

518 No bill without a fiscal note appended thereto which, if passed,
519 would require the expenditure of state or municipal funds or affect
520 state or municipal revenue in the current fiscal year or any of the next
521 ensuing five fiscal years shall be acted upon by either house of the
522 General Assembly unless said requirement of a fiscal note is dispensed
523 with by a vote of at least two-thirds of such house. Such fiscal note
524 shall clearly identify the cost and revenue impact to the state and
525 municipalities in the current fiscal year and in each of the next ensuing
526 five fiscal years. If the bill has any impact on the personal income tax
527 imposed under chapter 229 or the corporation business tax imposed
528 under chapter 208, or both, such fiscal note shall clearly identify any
529 resulting impact on the deposits to the Budget Reserve Fund pursuant
530 to section 4-30a, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	4-30a
Sec. 2	<i>July 1, 2015</i>	4-85
Sec. 3	<i>July 1, 2015</i>	3-115
Sec. 4	<i>July 1, 2015</i>	2-35
Sec. 5	<i>July 1, 2015</i>	2-36c
Sec. 6	<i>July 1, 2015</i>	2-24a

FIN *Joint Favorable Subst.*