

**Proposed Substitute  
Bill No. 1135**

LCO No. 6578

**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 Section 4-30a of the general statutes is repealed and the  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 Budget Reserve Fund] the Budget Reserve Fund  
140 shall be maintained and invested for the purpose of reducing revenue  
141 volatility in the General Fund and reducing the need for increases in  
142 tax revenue and reductions in state aid due to economic changes, and  
143 shall be expended only as provided in this subsection. [When]  
144 Whenever in any fiscal year the Comptroller has determined the  
145 amount of a deficit applicable with respect to the immediately  
146 preceding fiscal year, to the extent necessary, the amount of funds  
147 credited to [said] the Budget Reserve Fund shall be deemed to be  
148 appropriated for purposes of funding such deficit. Commencing in the  
149 fiscal year ending June 30, 2017, if the consensus revenue estimate on  
150 April thirtieth pursuant to section 2-36c, as amended by this act,  
151 projects a two per cent decline in General Fund tax revenues from the  
152 current fiscal year to the subsequent fiscal year, the General Assembly  
153 may transfer funds from the Budget Reserve Fund to the General Fund

154 in each of the 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 report 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 report 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, 2015, such itemization  
365 shall include the estimate for each major component of the personal  
366 income tax imposed pursuant to chapter 228 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 and  
475 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 to 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