



**Senate Bill No. 1503**

**June Special Session, Public Act No. 17-4**

**AN ACT MAKING MINOR AND TECHNICAL CHANGES TO THE STATE BUDGET AND RELATED IMPLEMENTING PROVISIONS FOR THE BIENNIUM ENDING JUNE 30, 2019.**

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

Section 1. (NEW) (*Effective from passage*) As used in sections 1 to 9, inclusive, of this act, unless the context otherwise requires:

- (1) "Commissioner" means the Commissioner of Revenue Services;
- (2) "Department" means the Department of Revenue Services;
- (3) "Taxpayer" means any health care provider subject to any tax or fee under section 2 or 3 of this act;
- (4) "Health care provider" means an individual or entity that receives any payment or payments for health care items or services provided;
- (5) "Gross receipts" means the amount received, whether in cash or in kind, from patients, third-party payers and others for taxable health care items or services provided by the taxpayer in the state, including retroactive adjustments under reimbursement agreements with third-party payers, without any deduction for any expenses of any kind;

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(6) "Net revenue" means gross receipts less payer discounts, charity care and bad debts, to the extent the taxpayer previously paid tax under section 2 of this act on the amount of such bad debts;

(7) "Payer discounts" means the difference between a health care provider's published charges and the payments received by the health care provider from one or more health care payers for a rate or method of payment that is different than or discounted from such published charges. "Payer discounts" does not include charity care or bad debts;

(8) "Charity care" means free or discounted health care services rendered by a health care provider to an individual who cannot afford to pay for such services, including, but not limited to, health care services provided to an uninsured patient who is not expected to pay all or part of a health care provider's bill based on income guidelines and other financial criteria set forth in the general statutes or in a health care provider's charity care policies on file at the office of such provider. "Charity care" does not include bad debts or payer discounts;

(9) "Received" means "received" or "accrued", construed according to the method of accounting customarily employed by the taxpayer;

(10) "Hospital" means any health care facility, as defined in section 19a-630 of the general statutes, that (A) is licensed by the Department of Public Health as a short-term general hospital; (B) is maintained primarily for the care and treatment of patients with disorders other than mental diseases; (C) meets the requirements for participation in Medicare as a hospital; and (D) has in effect a utilization review plan, applicable to all Medicaid patients, that meets the requirements of 42 CFR 482.30, as amended from time to time, unless a waiver has been granted by the Secretary of the United States Department of Health and Human Services;

(11) "Inpatient hospital services" means, in accordance with federal

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law, all services that are (A) ordinarily furnished in a hospital for the care and treatment of inpatients; (B) furnished under the direction of a physician or dentist; and (C) furnished in a hospital. "Inpatient hospital services" does not include skilled nursing facility services and intermediate care facility services furnished by a hospital with swing bed approval;

(12) "Inpatient" means a patient who has been admitted to a medical institution as an inpatient on the recommendation of a physician or dentist and who (A) receives room, board and professional services in the institution for a twenty-four-hour period or longer, or (B) is expected by the institution to receive room, board and professional services in the institution for a twenty-four-hour period or longer, even if the patient does not actually stay in the institution for a twenty-four-hour period or longer;

(13) "Outpatient hospital services" means, in accordance with federal law, preventive, diagnostic, therapeutic, rehabilitative or palliative services that are (A) furnished to an outpatient; (B) furnished by or under the direction of a physician or dentist; and (C) furnished by a hospital;

(14) "Outpatient" means a patient of an organized medical facility or a distinct part of such facility, who is expected by the facility to receive, and who does receive, professional services for less than a twenty-four-hour period regardless of the hour of admission, whether or not a bed is used or the patient remains in the facility past midnight;

(15) "Nursing home" means any licensed chronic and convalescent nursing home or a rest home with nursing supervision;

(16) "Intermediate care facility for individuals with intellectual disabilities" or "intermediate care facility" means a residential facility for persons with intellectual disability that is certified to meet the

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requirements of 42 CFR 442, Subpart C, as amended from time to time, and, in the case of a private facility, licensed pursuant to section 17a-227 of the general statutes;

(17) "Medicare day" means a day of nursing home care service provided to an individual who is eligible for payment, in full or with a coinsurance requirement, under the federal Medicare program, including fee for service and managed care coverage;

(18) "Nursing home resident day" means a day of nursing home care service provided to an individual and includes the day a resident is admitted and any day for which the nursing home is eligible for payment for reserving a resident's bed due to hospitalization or temporary leave and for the date of death. For purposes of this subdivision, a day of nursing home care service shall be the period of time between the census-taking hour in a nursing home on two successive calendar days. "Nursing home resident day" does not include a Medicare day or the day a resident is discharged;

(19) "Intermediate care facility resident day" means a day of intermediate care facility residential care provided to an individual and includes the day a resident is admitted and any day for which the intermediate care facility is eligible for payment for reserving a resident's bed due to hospitalization or temporary leave and for the date of death. For purposes of this subdivision, a day of intermediate care facility residential care shall be the period of time between the census-taking hour in a facility on two successive calendar days. "Intermediate care facility resident day" does not include the day a resident is discharged;

(20) "Medicaid" means the program operated by the Department of Social Services pursuant to section 17b-260 of the general statutes and authorized by Title XIX of the Social Security Act, as amended from time to time; and

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(21) "Medicare" means the program operated by the Centers for Medicare and Medicaid Services in accordance with Title XVIII of the Social Security Act, as amended from time to time.

Sec. 2. (NEW) (*Effective from passage*) (a) (1) For each calendar quarter commencing on or after July 1, 2017, each hospital shall pay a tax on the total net revenue received by such hospital for the provision of inpatient hospital services and outpatient hospital services.

(A) On and after July 1, 2017, and prior to July 1, 2019, the rate of tax for the provision of inpatient hospital services shall be six per cent of each hospital's audited net revenue for fiscal year 2016 attributable to inpatient hospital services.

(B) On and after July 1, 2017, and prior to July 1, 2019, the rate of tax for the provision of outpatient hospital services shall be nine hundred million dollars less the total tax imposed on all hospitals for the provision of inpatient hospital services, which sum shall be divided by the total audited net revenue for fiscal year 2016 attributable to outpatient hospital services, of all hospitals that are required to pay such tax.

(C) On and after July 1, 2019, the rate of tax for the provision of inpatient hospital services and outpatient hospital services shall be three hundred eighty-four million dollars divided by the total audited net revenue for fiscal year 2016, of all hospitals that are required to pay such tax.

(2) Except as provided in subdivision (3) of this subsection, each such hospital shall be required to pay the total amount due in four quarterly payments consistent with section 4 of this act, with the first quarter commencing with the first day of each state fiscal year and the last quarter ending on the last day of each state fiscal year.

(3) (A) For the state fiscal year commencing July 1, 2017, each

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hospital required to pay tax on inpatient hospital services or outpatient hospital services shall make an estimated tax payment on December 15, 2017, which estimated payment shall be equal to one hundred thirty-three per cent of the tax due under chapter 211a of the general statutes for the period ending June 30, 2017. If a hospital was not required to pay tax under said chapter 211a on either inpatient hospital services or outpatient hospital services, such hospital shall make its estimated payment based on its unaudited net patient revenue.

(B) Each hospital required to pay tax pursuant to this subdivision on inpatient hospital services or outpatient hospital services shall pay the remaining balance determined to be due in two equal payments, which shall be due on April 30, 2018, and July 31, 2018, respectively.

(C) For each state fiscal year commencing on or after July 1, 2017, each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall calculate the amount of tax due on forms prescribed by the commissioner by multiplying the applicable rate set forth in subdivision (1) of this subsection by its audited net revenue for fiscal year 2016. Hospitals shall make all payments required under this section in accordance with procedures established by and on forms provided by the commissioner.

(D) The commissioner shall apply any payment made by a hospital in connection with the tax under chapter 211a of the general statutes for the period ending September 30, 2017, as a partial payment of such hospital's estimated tax payment due on December 15, 2017, under subparagraph (A) of this subdivision. The commissioner shall return to a hospital any credit claimed by such hospital in connection with the tax imposed under said chapter 211a for the period ending September 30, 2017, for assignment as provided under section 4 of this act.

(4) (A) Each hospital required to pay tax on inpatient hospital services or outpatient hospital services shall submit to the

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commissioner such information as the commissioner requires in order to calculate the audited net inpatient revenue for fiscal year 2016, the audited net outpatient revenue for fiscal year 2016 and the audited net revenue for fiscal year 2016 of all such health care providers. Such information shall be provided to the commissioner not later than January 1, 2018. The commissioner shall make additional requests for information as necessary to fully audit each hospital's net revenue. Upon completion of the commissioner's examination, the commissioner shall notify, prior to February 28, 2018, each hospital of its audited net inpatient revenue for fiscal year 2016, audited net outpatient revenue for fiscal year 2016 and audited net revenue for fiscal year 2016.

(B) Any hospital that fails to provide the requested information prior to January 1, 2018, or fails to comply with a request for additional information made under this subdivision shall be subject to a penalty of one thousand dollars per day for each day the hospital fails to provide the requested information or additional information.

(C) The commissioner may engage an independent auditor to assist in the performance of the commissioner's duties and responsibilities under this subdivision.

(5) Net revenue derived from providing a health care item or service to a patient shall be taxed only one time under this section.

(6) (A) For purposes of this section:

(i) "Audited net inpatient revenue for fiscal year 2016" means the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received for the provision of inpatient hospital services during the 2016 federal fiscal year;

(ii) "Audited net outpatient revenue for fiscal year 2016" means the amount of revenue that the commissioner determines, in accordance

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with federal law, that a hospital received for the provision of outpatient hospital services during the 2016 federal fiscal year; and

(iii) "Audited net revenue for fiscal year 2016" means net revenue, as reported in each hospital's audited financial statement, less the amount of revenue that the commissioner determines, in accordance with federal law, that a hospital received from other than the provision of inpatient hospital services and outpatient hospital services. The total audited net revenue for fiscal year 2016 shall be the sum of all audited net revenue for fiscal year 2016 for all hospitals required to pay tax on inpatient hospital services and outpatient hospital services.

(B) Audited net inpatient revenue and audited net outpatient revenue shall be based on information provided by each hospital required to pay tax on inpatient hospital services or outpatient hospital services.

(b) (1) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt from the net revenue tax imposed under subsection (a) of this section the following: (A) Specialty hospitals; (B) children's general hospitals; and (C) hospitals operated exclusively by the state other than a short-term acute hospital operated by the state as a receiver pursuant to chapter 920 of the general statutes. Any hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be deemed to be a hospital for purposes of this section and shall be required to pay the net revenue tax imposed under subsection (a) of this section on inpatient hospital services and outpatient hospital services.

(2) Each hospital shall provide to the Commissioner of Social Services, upon request, such information as said commissioner may



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require to make any computations necessary to seek approval for exemption under this subsection.

(3) As used in this subsection, (A) "specialty hospital" means a health care facility, as defined in section 19a-630 of the general statutes, other than a facility licensed by the Department of Public Health as a short-term general hospital or a short-term children's hospital. "Specialty hospital" includes, but is not limited to, a psychiatric hospital or a chronic disease hospital, and (B) "children's general hospital" means a health care facility, as defined in section 19a-630 of the general statutes, that is licensed by the Department of Public Health as a short-term children's hospital. "Children's general hospital" does not include a specialty hospital.

(c) Prior to January 1, 2018, and every three years thereafter, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt financially distressed hospitals from the net revenue tax imposed on outpatient hospital services. Any such hospital for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. Any hospital for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the net revenue tax imposed on outpatient hospital services under subsection (a) of this section. For purposes of this subsection, "financially distressed hospital" means a hospital that has experienced over a five-year period an average net loss of more than five per cent of aggregate revenue. A hospital has an average net loss of more than five per cent of aggregate revenue if such a loss is reflected in the five most recent years of financial reporting that have been made available by the Office of Health Care Access for such hospital in accordance with section 19a-670 of the general statutes as of the effective date of the request for approval which effective date shall be July first of the year

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in which the request is made.

(d) The commissioner shall issue guidance regarding the administration of the tax on inpatient hospital services and outpatient hospital services. Such guidance shall be issued upon completion of a study of the applicable federal law governing the administration of tax on inpatient hospital services and outpatient hospital services. The commissioner shall conduct such study in collaboration with the Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services.

(e) (1) The commissioner shall determine, in consultation with the Commissioner of Social Services, the Secretary of the Office of Policy and Management, the Connecticut Hospital Association and the hospitals subject to the tax imposed on inpatient hospital services and outpatient hospital services, if there is any underreporting of revenue on hospitals' audited financial statements. Such consultation shall only be as authorized under section 12-15 of the general statutes. The commissioner shall issue guidance, if necessary, to address any such underreporting.

(2) If the commissioner determines, in accordance with this subsection, that a hospital underreported net revenue on its audited financial statement, the amount of underreported net revenue shall be added to the amount of net revenue reported on such hospital's audited financial statement so as to comply with federal law and the revised net revenue amount shall be used for purposes of calculating the amount of tax owed by such hospital under this section. For purposes of this subsection, "underreported net revenue" means any revenue of a hospital subject to the tax imposed under this section that is required to be included in net revenue from the provision of inpatient hospital services and net revenue from the provision of

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outpatient hospital services to comply with 42 CFR 433.56, as amended from time to time, 42 CFR 433.68, as amended from time to time, and Section 1903(w) of the Social Security Act, as amended from time to time, but that was not reported on such hospital's audited financial statement. Underreported net revenue shall only include revenue of the hospital subject to such tax.

(f) Nothing in this section shall affect the commissioner's obligations under section 12-15 of the general statutes regarding disclosure and inspection of returns and return information.

(g) The provisions of section 17b-8 of the general statutes shall not apply to any exemption or exemptions sought by the Department of Social Services from the Centers for Medicare and Medicaid Services under this section.

Sec. 3. (NEW) (*Effective from passage*) (a) For each calendar quarter commencing on or after July 1, 2017, there is hereby imposed a quarterly fee on each nursing home and intermediate care facility in this state, which fee shall be the product of each facility's total resident days during the calendar quarter multiplied by the user fee. Except as otherwise provided in this section, the user fee for nursing homes shall be twenty-one dollars and two cents and the user fee for intermediate care facilities shall be twenty-seven dollars and twenty-six cents. As used in this subsection, "resident day" means nursing home resident day and intermediate care facility resident day, as applicable.

(b) (1) (A) Prior to January 1, 2018, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt from the quarterly fee imposed on nursing homes under subsection (a) of this section those nursing homes set forth in subparagraph (A) of subdivision (2) of this subsection that are licensed on or prior to July 1, 2017.

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(B) Upon the licensure of any nursing home set forth in subparagraph (B) of subdivision (2) of this subsection on or after July 2, 2017, the Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services to exempt such nursing home from such quarterly fee.

(C) Any nursing home for which the Centers for Medicare and Medicaid Services grants an exemption shall be exempt from such quarterly fee. Any nursing home for which the Centers for Medicare and Medicaid Services denies an exemption shall be required to pay the quarterly fee imposed on nursing homes under subsection (a) of this section.

(2) Upon approval by the Centers for Medicare and Medicaid Services, each of the following nursing homes shall be exempt from the quarterly fee imposed on nursing homes under subsection (a) of this section:

(A) Each nursing home licensed on or prior to July 1, 2017, that is owned and operated by a legal entity registered as a continuing care facility with the Department of Social Services on July 1, 2017, in accordance with section 17b-521 of the general statutes and (i) that is licensed for not more than seventy-five beds, (ii) that is licensed for more than seventy-five beds but less than one hundred fifty-one beds and provided more than six thousand five hundred days of care paid by Medicare was reported by the nursing home in its most recently filed cost report with the Department of Social Services as of the date of submission of the request for an exemption, or (iii) that, pursuant to section 17b-352 of the general statutes, is not subject to the certificate of need provisions set forth in sections 17b-352 to 17b-354, inclusive, of the general statutes; and

(B) Each nursing home licensed on or after July 2, 2017, that is owned and operated by a legal entity registered as a continuing care

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facility with the Department of Social Services in accordance with section 17b-521 of the general statutes and (i) that is licensed for not more than seventy-five beds, (ii) that is licensed for more than seventy-five beds but less than one hundred fifty-one beds and provided more than six thousand five hundred days of care paid by Medicare was reported by the nursing home in its most recently filed cost report with the Department of Social Services as of the date of submission of the request for an exemption, or (iii) that, pursuant to section 17b-352 of the general statutes, is not subject to the certificate of need provisions set forth in sections 17b-352 to 17b-354, inclusive, of the general statutes.

(c) The Commissioner of Social Services shall seek approval from the Centers for Medicare and Medicaid Services for permission to impose a user fee in the amount of sixteen dollars and thirteen cents upon nursing homes owned by municipalities and nursing homes licensed for more than two hundred thirty beds. If the Centers for Medicare and Medicaid Services grants permission, the user fee imposed on nursing homes owned by municipalities and nursing homes licensed for more than two hundred thirty beds shall be sixteen dollars and thirteen cents. If the Centers for Medicare and Medicaid Services denies permission, the user fee for nursing homes owned by municipalities and nursing homes licensed for more than two hundred thirty beds shall be twenty-one dollars and two cents.

(d) The provisions of section 17b-8 of the general statutes shall not apply to any exemption or exemptions sought by the Department of Social Services from the Centers for Medicare and Medicaid Services under this section.

Sec. 4. (NEW) (*Effective from passage*) (a) No tax credit or credits shall be allowable against any tax or fee imposed under section 2 or 3 of this act. Notwithstanding any other provision of the general statutes, any health care provider that has been assigned tax credits under section

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32-9t of the general statutes for application against the taxes imposed under chapter 211a of the general statutes may further assign such tax credits to another taxpayer or taxpayers one time, provided such other taxpayer or taxpayers may claim such credit only with respect to a taxable year for which the assigning health care provider would have been eligible to claim such credit and such other taxpayer or taxpayers may not further assign such credit. The assigning health care provider shall file with the commissioner information requested by the commissioner regarding such assignments, including but not limited to, the current holders of credits as of the end of the preceding calendar year.

(b) (1) Each taxpayer doing business in this state shall, on or before the last day of January, April, July and October of each year, render to the commissioner a quarterly return, on forms prescribed or furnished by the commissioner and signed by one of the taxpayer's principal officers, stating specifically the name and location of such taxpayer, the amount of its net patient revenue or resident days during the calendar quarter ending on the last day of the preceding month and such other information as the commissioner deems necessary for the proper administration of this section and the state's Medicaid program. Except as provided in subdivision (2) of this subsection, the taxes and fees imposed under section 2 or 3 of this act shall be due and payable on the due date of such return. Each taxpayer shall be required to file such return electronically with the department and to make such payment by electronic funds transfer in the manner provided by chapter 228g of the general statutes, irrespective of whether the taxpayer would have otherwise been required to file such return electronically or to make such payment by electronic funds transfer under the provisions of said chapter.

(2) (A) A taxpayer may file, on or before the due date of a payment of tax or fee imposed under section 2 or 3 of this act, a request for a

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reasonable extension of time for such payment for reasons of undue hardship. Undue hardship shall be demonstrated by a showing that such taxpayer is at substantial risk of defaulting on a bond covenant or similar obligation if such taxpayer were to make payment on the due date of the amount for which the extension is requested. Such request shall be filed on forms prescribed by the commissioner and shall include complete information of such taxpayer's inability, due to undue hardship, to make payment of the tax or fee on or before the due date of such payment. The commissioner shall not grant any extension for a general statement of hardship by the taxpayer or for the convenience of the taxpayer.

(B) The commissioner may grant an extension if the commissioner determines an undue hardship exists. Such extension shall not exceed three months from the original due date of the payment, except that the commissioner may grant an additional extension not exceeding three months from the initial extended due date of the payment (i) upon the filing of a subsequent request by the taxpayer on or before the extended due date of the payment, on forms prescribed by the commissioner, and (ii) upon a showing of extraordinary circumstances, as determined by the commissioner.

(3) If the commissioner grants an extension pursuant to subdivision (2) of this subsection, no penalty shall be imposed and no interest shall accrue during the period of time for which an extension is granted if the taxpayer pays the tax or fee due on or before the extended due date of the payment. If the taxpayer does not pay such tax or fee by the extended due date, a penalty shall be imposed in accordance with subsection (c) of this section and interest shall begin to accrue at a rate of one per cent per month for each month or fraction thereof from the extended due date of such tax or fee until the date of payment.

(c) (1) Except as provided in subdivision (2) of subsection (b) of this section, if any taxpayer fails to pay the amount of tax or fee reported to

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be due on such taxpayer's return within the time specified under the provisions of this section, there shall be imposed a penalty equal to ten per cent of such amount due and unpaid, or fifty dollars, whichever is greater. The tax or fee shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such tax or fee until the date of payment.

(2) If any taxpayer has not made its return within one month of the due date of such return, the commissioner may make such return at any time thereafter, according to the best information obtainable and according to the form prescribed. There shall be added to the tax or fee imposed upon the basis of such return an amount equal to ten per cent of such tax or fee, or fifty dollars, whichever is greater. The tax or fee shall bear interest at the rate of one per cent per month or fraction thereof, from the due date of such tax or fee until the date of payment.

(3) Subject to the provisions of section 12-3a of the general statutes, the commissioner may waive all or part of the penalties provided under this subsection when it is proven to the commissioner's satisfaction that the failure to pay any tax or fee on time was due to reasonable cause and was not intentional or due to neglect.

(4) The commissioner shall notify the Commissioner of Social Services of any amount delinquent under this section and, upon receipt of such notice, the Commissioner of Social Services shall deduct and withhold such amount from amounts otherwise payable by the Department of Social Services to the delinquent taxpayer.

(d) (1) Any person required under sections 2 to 7, inclusive, of this act to pay any tax or fee, make a return, keep any records or supply any information, who wilfully fails, at the time required by law, to pay such tax or fee, make such return, keep such records or supply such information, shall, in addition to any other penalty provided by law, be fined not more than one thousand dollars or imprisoned not more



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than one year, or both. As used in this subsection, "person" includes any officer or employee of a taxpayer under a duty to pay such tax or fee, make such return, keep such records or supply such information. Notwithstanding the provisions of section 54-193 of the general statutes, no person shall be prosecuted for a violation of the provisions of this subsection committed on or after July 1, 1997, except within three years next after such violation has been committed.

(2) Any person who wilfully delivers or discloses to the commissioner or the commissioner's authorized agent any list, return, account, statement or other document, known by such person to be fraudulent or false in any material matter, shall, in addition to any other penalty provided by law, be guilty of a class D felony. No person shall be charged with an offense under both this subdivision and subdivision (1) of this subsection in relation to the same tax period but such person may be charged and prosecuted for both such offenses upon the same information.

Sec. 5. (NEW) (*Effective from passage*) (a) (1) The commissioner may examine the records of any taxpayer subject to a tax or fee imposed under section 2 or 3 of this act as the commissioner deems necessary. If the commissioner determines from such examination that there is a deficiency with respect to the payment of any such tax or fee due under section 2 or 3 of this act, the commissioner shall assess the deficiency in tax or fee, give notice of such deficiency assessment to the taxpayer and make demand for payment. Such amount shall bear interest at the rate of one per cent per month or fraction thereof from the date when the original tax or fee was due and payable. (A) When it appears that any part of the deficiency for which a deficiency assessment is made is due to negligence or intentional disregard of the provisions of this section or regulations adopted thereunder, there shall be imposed a penalty equal to ten per cent of the amount of such deficiency assessment, or fifty dollars, whichever is greater. (B) When

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it appears that any part of the deficiency for which a deficiency assessment is made is due to fraud or intent to evade the provisions of this section or regulations adopted thereunder, there shall be imposed a penalty equal to twenty-five per cent of the amount of such deficiency assessment. No taxpayer shall be subject to more than one penalty under this subdivision in relation to the same tax period. Not later than thirty days after the mailing of such notice, the taxpayer shall pay to the commissioner, in cash or by check, draft or money order drawn to the order of the Commissioner of Revenue Services, any additional amount of tax, penalty and interest shown to be due.

(2) Except in the case of a wilfully false or fraudulent return with intent to evade the tax or fee, no assessment of additional tax or fee shall be made after the expiration of more than three years from the date of the filing of a return or from the original due date of a return, whichever is later. Where, before the expiration of the period prescribed under this subsection for the assessment of an additional tax or fee, a taxpayer has consented, in writing, that such period may be extended, the amount of such additional tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents, in writing, before the expiration of the extended period.

(b) (1) The commissioner may enter into an agreement with the Commissioner of Social Services delegating to the Commissioner of Social Services the authority to examine the records and returns of any taxpayer subject to any tax or fee imposed under section 2 or 3 of this act and to determine whether such tax has been underpaid or overpaid. If such authority is so delegated, examinations of such records and returns by the Commissioner of Social Services and determinations by the Commissioner of Social Services that such tax or fee has been underpaid or overpaid shall have the same effect as similar examinations or determinations made by the commissioner.

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(2) The commissioner may enter into an agreement with the Commissioner of Social Services in order to facilitate the exchange of returns or return information necessary for the Commissioner of Social Services to perform his or her responsibilities under this section and to ensure compliance with the state's Medicaid program.

(3) The Commissioner of Social Services may engage an independent auditor to assist in the performance of said commissioner's duties and responsibilities under this subsection. Any reports generated by such independent auditor shall be provided simultaneously to the department and the Department of Social Services.

(c) (1) The commissioner may require all persons subject to a tax or fee imposed under section 2 or 3 of this act to keep such records as the commissioner may prescribe and may require the production of books, papers, documents and other data, to provide or secure information pertinent to the determination of the taxes or fees imposed under section 2 or 3 of this act and the enforcement and collection thereof.

(2) The commissioner or any person authorized by the commissioner may examine the books, papers, records and equipment of any person liable under the provisions of this section and may investigate the character of the business of such person to verify the accuracy of any return made or, if no return is made by the person, to ascertain and determine the amount required to be paid.

(d) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of sections 2 to 9, inclusive, of this act.

Sec. 6. (NEW) (*Effective from passage*) (a) Any taxpayer subject to any tax or fee under section 2 or 3 of this act, believing that it has overpaid any tax or fee due under said sections, may file a claim for refund, in

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writing, with the commissioner not later than three years after the due date for which such overpayment was made, stating the specific grounds upon which the claim is founded. Failure to file a claim within the time prescribed in this subsection shall constitute a waiver of any demand against the state on account of overpayment. Within a reasonable time, as determined by the commissioner, following receipt of such claim for refund, the commissioner shall determine whether such claim is valid and, if so determined, the commissioner shall notify the Comptroller of the amount of such refund and the Comptroller shall draw an order on the Treasurer in the amount thereof for payment to the taxpayer. If the commissioner determines that such claim is not valid, either in whole or in part, the commissioner shall mail notice of the proposed disallowance in whole or in part of the claim to the taxpayer, which notice shall set forth briefly the commissioner's findings of fact and the basis of disallowance in each case decided in whole or in part adversely to the taxpayer. Sixty days after the date on which it is mailed, a notice of proposed disallowance shall constitute a final disallowance except only for such amounts as to which the taxpayer has filed, as provided in subsection (b) of this section, a written protest with the commissioner.

(b) On or before the sixtieth day after the mailing of the proposed disallowance, the taxpayer may file with the commissioner a written protest against the proposed disallowance in which the taxpayer sets forth the grounds on which the protest is based. If a protest is filed, the commissioner shall reconsider the proposed disallowance and, if the taxpayer has so requested, may grant or deny the taxpayer or its authorized representatives a hearing.

(c) The commissioner shall mail notice of the commissioner's determination to the taxpayer, which notice shall set forth briefly the commissioner's findings of fact and the basis of decision in each case decided in whole or in part adversely to the taxpayer.

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(d) The action of the commissioner on the taxpayer's protest shall be final upon the expiration of one month from the date on which the commissioner mails notice of the commissioner's determination to the taxpayer, unless within such period the taxpayer seeks judicial review of the commissioner's determination.

Sec. 7. (NEW) (*Effective from passage*) (a) Any taxpayer subject to any tax or fee under section 2 or 3 of this act that is aggrieved by the action of the commissioner, the Commissioner of Social Services or an authorized agent of said commissioners in fixing the amount of any tax, penalty, interest or fee under sections 2 to 5, inclusive, of this act may apply to the commissioner, in writing, not later than sixty days after the notice of such action is delivered or mailed to such taxpayer, for a hearing and a correction of the amount of such tax, penalty, interest or fee, setting forth the reasons why such hearing should be granted and the amount by which such tax, penalty, interest or fee should be reduced. The commissioner shall promptly consider each such application and may grant or deny the hearing requested. If the hearing request is denied, the taxpayer shall be notified immediately. If the hearing request is granted, the commissioner shall notify the applicant of the date, time and place for such hearing. After such hearing, the commissioner may make such order as appears just and lawful to the commissioner and shall furnish a copy of such order to the taxpayer. The commissioner may, by notice in writing, order a hearing on the commissioner's own initiative and require a taxpayer or any other individual who the commissioner believes to be in possession of relevant information concerning such taxpayer to appear before the commissioner or the commissioner's authorized agent with any specified books of account, papers or other documents, for examination under oath.

(b) Any taxpayer subject to any tax or fee under section 2 or 3 of this act that is aggrieved because of any order, decision, determination or

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disallowance of the commissioner made under sections 2 to 6, inclusive, of this act or subsection (a) of this section may, not later than one month after service of notice of such order, decision, determination or disallowance, take an appeal therefrom to the superior court for the judicial district of New Britain, which appeal shall be accompanied by a citation to the commissioner to appear before said court. Such citation shall be signed by the same authority and such appeal shall be returnable at the same time and served and returned in the same manner as is required in case of a summons in a civil action. The authority issuing the citation shall take from the appellant a bond or recognizance to the state of Connecticut, with surety, to prosecute the appeal to effect and to comply with the orders and decrees of the court in the premises. Such appeals shall be preferred cases, to be heard, unless cause appears to the contrary, at the first session, by the court or by a committee appointed by the court. Said court may grant such relief as may be equitable and, if such tax or charge has been paid prior to the granting of such relief, may order the Treasurer to pay the amount of such relief, with interest at the rate of two-thirds of one per cent per month or fraction thereof, to such taxpayer. If the appeal has been taken without probable cause, the court may tax double or triple costs, as the case demands and, upon all such appeals that are denied, costs may be taxed against such taxpayer at the discretion of the court but no costs shall be taxed against the state.

Sec. 8. (NEW) (*Effective from passage*) The commissioner and any agent of the commissioner duly authorized to conduct any inquiry, investigation or hearing pursuant to sections 4 to 9, inclusive, of this act shall have power to administer oaths and take testimony under oath relative to the matter of inquiry or investigation. At any hearing ordered by the commissioner, the commissioner or the commissioner's agent authorized to conduct such hearing and having authority by law to issue such process may subpoena witnesses and require the production of books, papers and documents pertinent to such inquiry

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or investigation. No witness under subpoena authorized to be issued under the provisions of this section shall be excused from testifying or from producing books, papers or documentary evidence on the ground that such testimony or the production of such books, papers or documentary evidence would tend to incriminate such witness, but such books, papers or documentary evidence so produced shall not be used in any criminal proceeding against such witness. If any person disobeys such process or, having appeared in obedience thereto, refuses to answer any pertinent question put to such person by the commissioner or the commissioner's authorized agent, or to produce any books, papers or other documentary evidence pursuant thereto, the commissioner or such agent may apply to the superior court of the judicial district wherein the taxpayer resides or wherein the business has been conducted, or to any judge of such court if the same is not in session, setting forth such disobedience to process or refusal to answer, and such court or such judge shall cite such person to appear before such court or such judge to answer such question or to produce such books, papers or other documentary evidence and, upon such person's refusal so to do, shall commit such person to a community correctional center until such person testifies, but not for a period longer than sixty days. Notwithstanding the serving of the term of such commitment by any person, the commissioner may proceed in all respects with such inquiry and examination as if the witness had not previously been called upon to testify. Officers who serve subpoenas issued by the commissioner or under the commissioner's authority and witnesses attending hearings conducted by the commissioner pursuant to this section shall receive fees and compensation at the same rates as officers and witnesses in the courts of this state, to be paid on vouchers of the commissioner on order of the Comptroller from the proper appropriation for the administration of this section.

Sec. 9. (NEW) (*Effective from passage*) The amount of any tax, penalty, interest or fee, due and unpaid under the provisions of sections 2 to 7,

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inclusive, of this act may be collected under the provisions of section 12-35 of the general statutes. The warrant provided under section 12-35 of the general statutes shall be signed by the commissioner or the commissioner's authorized agent. The amount of any such tax, penalty, interest or fee shall be a lien on the real estate of the taxpayer from the last day of the month next preceding the due date of such tax until such tax is paid. The commissioner may record such lien in the records of any town in which the real estate of such taxpayer is situated but no such lien shall be enforceable against a bona fide purchaser or qualified encumbrancer of such real estate. When any tax or fee with respect to which a lien has been recorded under the provisions of this subsection has been satisfied, the commissioner shall, upon request of any interested party, issue a certificate discharging such lien, which certificate shall be recorded in the same office in which the lien was recorded. Any action for the foreclosure of such lien shall be brought by the Attorney General in the name of the state in the superior court for the judicial district in which the property subject to such lien is situated, or, if such property is located in two or more judicial districts, in the superior court for any one such judicial district, and the court may limit the time for redemption or order the sale of such property or make such other or further decree as it judges equitable. For purposes of section 12-39g of the general statutes, a fee under this section shall be treated as a tax.

Sec. 10. (NEW) (*Effective from passage*) At the close of each fiscal year commencing with the fiscal year ending June 30, 2018, the Comptroller is authorized to record as revenue for each such fiscal year the amount of tax and fee imposed under sections 2 to 9, inclusive, of this act that is received by the Commissioner of Revenue Services not later than five business days after the last day of July immediately following the end of such fiscal year.

Sec. 11. Subsection (b) of section 17b-239e of the general statutes, as



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amended by section 618 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) (1) [The] Subject to federal approval, the Department of Social Services shall establish supplemental pools for certain hospitals, as determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, such pools as a supplemental inpatient pool, a supplemental outpatient pool, a supplemental small hospital pool, [as determined by the department in consultation with the Connecticut Hospital Association,] and a supplemental mid-size hospital pool. [, as determined by the department in consultation with the Connecticut Hospital Association.] The Department of Social Services shall publish the required public notice for all Medicaid state plan amendments necessary to establish the pools not later than fifteen days after passage of this section or December 1, 2017, whichever is sooner.

(2) (A) For the fiscal year ending June 30, 2018, the amount of funds in the supplemental pools shall total in the aggregate five hundred ninety-eight million four hundred forty thousand one hundred thirty-eight dollars.

(B) For the fiscal year ending June 30, 2019, the amount of funds in the supplemental pools shall total in the aggregate four hundred ninety-six million three hundred forty thousand one hundred thirty-eight dollars.

(3) The department shall distribute supplemental payments to applicable hospitals based on criteria determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, utilization and proportion of total Medicaid expenditures. Such consultation shall include, at a minimum, that the department shall send proposed distribution criteria in writing to the

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Connecticut Hospital Association not less than thirty days before making any payments based on such criteria and shall provide an opportunity to discuss such criteria prior to making any payments based on such criteria, except that, for the [supplemental payments for the quarter ending September 30, 2017] first twenty-five per cent of supplemental payments for the fiscal year ending June 30, 2018, such consultation shall include sending the distribution criteria not less than seven days before making any payments based on such criteria.

(4) [For] Subject to subdivision (1) of this subsection, for the fiscal years ending June 30, 2018, and June 30, 2019, the Department of Social Services shall make supplemental payments to applicable hospitals in accordance with the following schedule: [(A) Supplemental payments for the quarter ending September 30, 2017, shall be made on or before October 31, 2017; (B) supplemental payments for the quarter ending December 31, 2017, shall be made on or before December 31, 2017, except that the department may delay such payments until fourteen days after receiving approval from the Centers for Medicare and Medicaid Services for the Medicaid state plan amendment or amendments necessary for the state to receive federal Medicaid funds for such supplemental payments; and (C) supplemental payments for the quarter ending on March 31, 2018, through the quarter ending on June 30, 2019, shall be made on or before the last day of each such calendar quarter. If the department delays supplemental pool payments required under this section, the applicable hospitals may delay payment of any tax due under section 602 of this act for the applicable quarter, without incurring penalties or interest, until fourteen days after receiving the supplemental payments due for such quarter.]

(A) The first twenty-five per cent of supplemental payments for the fiscal year ending June 30, 2018, shall be made: (i) On or before November 30, 2017, for the supplemental inpatient pool and

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supplemental small hospital pool; (ii) thirty days after the effective date of this section, but not later than January 1, 2018, for the supplemental mid-size hospital pool; (iii) thirty days after the effective date of this section, but not later than January 1, 2018, for the supplemental outpatient pool; and (iv) not later than thirty days after submission of the Medicaid state plan amendments for such payments for any pool not set forth herein required to be established to comply with federal law. The department shall make each payment by the dates set forth in this subparagraph even if each applicable Medicaid state plan amendment approval has not yet been received from the Centers for Medicare and Medicaid Services, provided each payment remains subject to federal approval and may later be recovered if federal approval is not obtained.

(B) The second twenty-five per cent of such supplemental payments shall be made on or before December 31, 2017, except that the department may delay such payments until fourteen days after receiving approval from the Centers for Medicare and Medicaid Services for the Medicaid state plan amendment or amendments necessary for the state to receive federal Medicaid funds for such supplemental payments.

(C) The third twenty-five per cent of supplemental payments shall be made on or before March 31, 2018, even if each applicable Medicaid state plan amendment approval has not yet been received from the Centers for Medicare and Medicaid Services, provided each payment remains subject to federal approval and may later be recovered if federal approval is not obtained.

(D) Supplemental payments for each subsequent twenty-five per cent of the supplemental payment for each of the fiscal years ending June 30, 2018, and June 30, 2019, shall be made in corresponding installments on or before the last day of March, June, September and December during each said fiscal year, except that the department may

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delay such payments until fourteen days after receiving approval from the Centers for Medicare and Medicaid Services for the Medicaid state plan amendment or amendments necessary for the state to receive federal Medicaid funds for such supplemental payments.

Sec. 12. Section 17b-239 of the general statutes, as amended by section 619 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Medicaid rates paid to acute care hospitals, including children's hospitals, shall be based on diagnosis-related groups established and periodically rebased by the Commissioner of Social Services in accordance with 42 USC 1396a(a)(30)(A), provided the Department of Social Services completes a fiscal analysis of the impact of such rate payment system on each hospital. The commissioner shall, in accordance with the provisions of section 11-4a, file a report on the results of the fiscal analysis not later than six months after implementing the rate payment system with the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies. Within available appropriations, the commissioner shall annually determine in-patient payments for each hospital by multiplying diagnosis-related group relative weights by a base rate. Over a period of up to four years beginning on or after January 1, 2016, within available appropriations and at the discretion of the commissioner, the Department of Social Services shall transition hospital-specific, diagnosis-related group base rates to state-wide diagnosis-related group base rates by peer groups determined by the commissioner. For the purposes of this subsection and subsection (c) of this section, "peer group" means a group comprised of one of the following categories of acute care hospitals: Privately operated acute care hospitals, publicly operated acute care hospitals, or acute care children's hospitals licensed by the Department of Public Health. At

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the discretion of the Commissioner of Social Services, the peer group for privately operated acute care hospitals may be further subdivided into peer groups for privately operated acute care hospitals. For inpatient hospital services that the Commissioner of Social Services determines are not appropriate for reimbursement based on diagnosis-related groups, the commissioner shall reimburse for such services using any other methodology that complies with 42 USC 1396a(a)(30)(A). Within available appropriations, the commissioner may, in his or her discretion, make additional payments to hospitals based on criteria to be determined by the commissioner. Upon the conversion to a hospital payment methodology based on diagnosis-related groups, the commissioner shall evaluate payments for all hospital services, including, but not limited to, a review of pediatric psychiatric inpatient units within hospitals. The commissioner may, within available appropriations, implement a pay-for-performance program for pediatric psychiatric inpatient care. Nothing contained in this section shall authorize Medicaid payment by the state to any such hospital in excess of the charges made by such hospital for comparable services to the general public.

(b) Effective October 1, 1991, the rate to be paid by the state for the cost of special services rendered by such hospitals shall be established annually by the commissioner for each such hospital pursuant to 42 USC 1396a(a)(30)(A) and within available appropriations. Nothing contained in this subsection shall authorize a payment by the state for such services to any such hospital in excess of the charges made by such hospital for comparable services to the general public.

(c) (1) Until such time as subdivision (2) of this subsection is effective, the state shall also pay to such hospitals for each outpatient clinic and emergency room visit a rate established by the commissioner for each hospital pursuant to 42 USC 1396a(a)(30)(A) and within available appropriations.

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(2) On or after July 1, 2016, with the exception of publicly operated psychiatric hospitals, hospitals shall be paid for outpatient and emergency room services based on prospective rates established by the commissioner within available appropriations and in accordance with an ambulatory payment classification system, provided the Department of Social Services completes a fiscal analysis of the impact of such rate payment system on each hospital. Such ambulatory payment classification system may include one or more peer groups established by the Department of Social Services. The Commissioner of Social Services shall, in accordance with the provisions of section 11-4a, file a report on the results of the fiscal analysis not later than six months after implementing the rate payment system with the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies. Nothing contained in this subsection shall authorize a payment by the state for such services to any hospital in excess of the charges made by such hospital for comparable services to the general public. Effective upon implementation of the ambulatory payment classification system, a covered outpatient hospital service that is not being reimbursed using such ambulatory payment classification system shall be paid in accordance with a fee schedule or an alternative payment methodology, as determined by the commissioner. The commissioner may, within available funding for implementation of the ambulatory payment classification methodology, establish a supplemental pool to provide payments to offset losses incurred, if any, by publicly operated acute care hospitals and acute care children's hospitals licensed by the Department of Public Health as a result of the implementation of the ambulatory payment classification system. Prior to the implementation of the ambulatory payment classification system, each hospital's charges shall be based on the charge master in effect as of June 1, 2015. After implementation of such system, annual increases in each hospital's charge master shall not exceed, in the aggregate, the annual increase in

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the Medicare economic index.

(d) Concurrent with the implementation of the ambulatory payment classification methodology of payment to hospitals, an emergency department physician may enroll separately as a Medicaid provider and qualify for direct reimbursement for professional services provided in the emergency department of a hospital to a Medicaid recipient, including services provided on the same day the Medicaid recipient is admitted to the hospital. The commissioner shall pay to any such emergency department physician the Medicaid rate for physicians in accordance with the applicable physician fee schedule in effect at that time. If the commissioner determines that payment to an emergency department physician pursuant to this subsection results in an additional cost to the state, the commissioner shall adjust such rate in consultation with the Connecticut Hospital Association and the Connecticut College of Emergency Physicians to ensure budget neutrality.

(e) The commissioner may adopt regulations, in accordance with the provisions of chapter 54, establishing criteria for defining emergency and nonemergency visits to hospital emergency rooms. All nonemergency visits to hospital emergency rooms shall be paid in accordance with subsection (c) of this section. Nothing contained in this subsection or the regulations adopted under this section shall authorize a payment by the state for such services to any hospital in excess of the charges made by such hospital for comparable services to the general public. To the extent permitted by federal law, the Commissioner of Social Services may impose cost-sharing requirements under the medical assistance program for nonemergency use of hospital emergency room services.

(f) The commissioner shall establish rates to be paid to freestanding chronic disease hospitals within available appropriations.

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(g) The Commissioner of Social Services may implement policies and procedures as necessary to carry out the provisions of this section while in the process of adopting the policies and procedures as regulations, provided notice of intent to adopt the regulations is published in accordance with the provisions of section 17b-10 not later than twenty days after the date of implementation.

(h) In the event the commissioner is unable to implement the provisions of subsection (d) of this section by January 1, 2015, the commissioner shall submit written notice, not later than thirty-five days prior to January 1, 2015, to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies indicating that the department will not be able to implement such provisions on or before such date. The commissioner shall include in such notice (1) the reasons why the department will not be able to implement such provisions by such date, and (2) the date by which the department will be able to implement such provisions.

(i) [Notwithstanding the provisions of subsections (a), (c) and (j) of this section, the commissioner shall, not later than January 1, 2018, increase rates in effect for the period ending June 30, 2017, for hospitals subject to the tax imposed under section 602 of this act such that such rates result in an annualized, aggregate increase of (I) one hundred forty million one hundred thousand dollars for inpatient hospital services, and (II) thirty-five million dollars for outpatient hospital services. For the fiscal year commencing July 1, 2018, and annually thereafter, no hospital subject to the tax imposed under section 602 of this act shall receive a rate that is less than the rate in effect on January 1, 2018.] Not later than fifteen days after passage of this section or December 1, 2017, whichever is sooner, the commissioner shall publish public notice of the intent to submit a Medicaid state plan amendment to provide for the rate increases set forth in this subsection. Not later



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than five days after the expiration of the thirty-day public comment period for such Medicaid state plan amendment, the commissioner shall submit such Medicaid state plan amendment to the Centers for Medicare and Medicaid Services for approval. Subject to federal approval, the commissioner shall increase rates effective January 1, 2018, for hospitals, implementing those increases on the earliest available date, as follows: (1) The diagnosis-related group base rate for inpatient hospital services provided by privately operated acute care general hospitals shall be increased by thirty-one and sixty-five-hundredths per cent from the level in effect on July 1, 2017, and (2) the ambulatory payment classification base conversion factor for outpatient hospital services provided by acute care general hospitals shall be increased by six and one-half per cent from the level in effect on July 1, 2017. For dates of service only from January 1, 2018, through June 30, 2018, commencing January 1, 2018, the Commissioner of Social Services shall pay at the increased rates set forth in this subsection even if each applicable Medicaid state plan amendment approval has not been received from the Centers for Medicare and Medicaid Services prior to January 1, 2018, provided the implementation of such rate increases remains subject to federal approval and payment of such increases may later be recovered if federal approval is not obtained. For dates of service on or after July 1, 2018, the rate increases set forth in this subsection shall be implemented not later than thirty days after receiving federal approval of applicable Medicaid state plan amendments. Subject to continuing approvals from the Centers for Medicare and Medicaid Services and ongoing compliance with applicable federal Medicaid requirements, for the fiscal year commencing July 1, 2018, and annually thereafter, the commissioner shall not remove the rate increases set forth in this subsection. No provision of this subsection shall affect implementation of state-wide diagnosis-related group base rates in accordance with subsection (a) of this section.

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(j) Except as [provided] otherwise specifically required in subsection (i) of this section, notwithstanding the provisions of this chapter [,] or regulations adopted thereunder, the Department of Social Services is not required to increase rates paid, or to set any rates to be paid to or adjust upward any method of payment to, any hospital based on inflation or based on any inflationary factor, including, but not limited to, any current payments or adjustments that are being made based on dates of service in previous years. The Department of Social Services shall not increase or adjust upward any rates or method of payment to hospitals based on inflation or based on any inflationary factor unless the approved state budget includes appropriations for such increases or upward adjustments.

Sec. 13. (*Effective from passage*) (a) For the fiscal year ending June 30, 2018, the Commissioner of Social Services, in the commissioner's discretion, may advance all or a portion of a scheduled supplemental payment to a distressed hospital in accordance with this section. In order for the commissioner to consider issuing an advance under this section, a distressed hospital shall request the advance in writing with an explanation of how the hospital complies with the conditions established in accordance with this section. Such hospital shall provide the commissioner with all financial information requested, including, but not limited to, annual audited financial statements, quarterly internal financial statements and accounts payable records.

(b) The commissioner may impose such conditions as the commissioner determines to be necessary in making any advance in accordance with this section, including, but not limited to, financial reporting, schedule of recoupment of advance payments and adjustments to any future payments to such hospital. For purposes of this section, "distressed hospital" means a short-term general acute care hospital licensed by the Department of Public Health that (1) the Commissioner of Social Services determines is financially distressed in

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accordance with financial criteria selected or developed by the commissioner, and (2) is independent and is not affiliated with any other hospital or hospital-based system that includes two or more hospitals, as documented through the certificate of need process administered by the Department of Public Health, Office of Health Care Access.

Sec. 14. (*Effective from passage*) Notwithstanding the provisions of section 4-85 of the general statutes, for the fiscal years ending June 30, 2018, and June 30, 2019, the Governor shall not reduce any allotment requisition or allotment in force for the hospital supplemental payments account in the Department of Social Services. Hospital supplemental payments shall be made in accordance with the schedule set forth in subsection (b) of section 17b-239e of the general statutes, as amended by this act.

Sec. 15. (*Effective from passage*) (a) For the state fiscal years ending June 30, 2018, and June 30, 2019, the tax imposed on the provision of inpatient hospital services and outpatient hospital services under section 2 of this act shall cease to be imposed if the Centers for Medicare and Medicaid Services (1) determines that such tax is an impermissible tax under Section 1903(w) of the Social Security Act, as amended from time to time, or (2) does not approve the applicable Medicaid state plan amendments necessary for the state to receive federal financial participation under the Medicaid program for payments set forth in subsection (i) of section 17b-239 of the general statutes, as amended by this act, and subsection (b) of section 17b-239e of the general statutes, as amended by this act. Not later than sixty days after the Commissioner of Revenue Services receives notice of any such determination or denial of approval by the Centers for Medicare and Medicaid Services, the Commissioner of Revenue Services shall refund to taxpayers any such tax already collected pursuant to section 2 of this act.

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(b) For the state fiscal years ending June 30, 2018, and June 30, 2019, if the Centers for Medicare and Medicaid Services (1) determines that the tax imposed on the provision of inpatient hospital services and outpatient hospital services under section 2 of this act is an impermissible tax under Section 1903(w) of the Social Security Act, as amended from time to time, or (2) does not approve the applicable Medicaid state plan amendments necessary for the state to receive federal financial participation under the Medicaid program for payments set forth in subsection (i) of section 17b-239 of the general statutes, as amended by this act, and subsection (b) of section 17b-239e of the general statutes, as amended by this act, the General Assembly shall consider, during the next occurring regular or special session, whichever is sooner, such amendments to the general statutes as are necessary to ensure compliance with federal law regarding such tax.

Sec. 16. Section 1 of public act 17-2 of the June special session is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The following sums are appropriated from the GENERAL FUND for the annual periods indicated for the purposes described.

|                                       | 2017-2018  | 2018-2019  |
|---------------------------------------|------------|------------|
| LEGISLATIVE                           |            |            |
| LEGISLATIVE MANAGEMENT                |            |            |
| Personal Services                     | 43,542,854 | 43,332,854 |
| Other Expenses                        | 13,364,982 | 13,975,741 |
| Equipment                             | 100,000    | 100,000    |
| Interim Salary/Caucus Offices         | 452,875    | 452,875    |
| Redistricting                         | 100,000    | 100,000    |
| Old State House                       | 500,000    | 500,000    |
| Interstate Conference Fund            | 377,944    | 377,944    |
| New England Board of Higher Education | 183,750    | 183,750    |

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|   |            |            |
|---|------------|------------|
| AGENCY TOTAL                              | 58,622,405 | 59,023,164 |
|   |            |            |
| AUDITORS OF PUBLIC ACCOUNTS               |            |            |
| Personal Services                         | 10,349,151 | 10,349,151 |
| Other Expenses                            | 272,143    | 272,143    |
| AGENCY TOTAL                              | 10,621,294 | 10,621,294 |
|   |            |            |
| COMMISSION ON WOMEN,<br>CHILDREN, SENIORS |            |            |
| Personal Services                         | 400,000    | 400,000    |
| Other Expenses                            | 30,000     | 30,000     |
| AGENCY TOTAL                              | 430,000    | 430,000    |
|   |            |            |
| COMMISSION ON EQUITY AND<br>OPPORTUNITY   |            |            |
| Personal Services                         | 400,000    | 400,000    |
| Other Expenses                            | 30,000     | 30,000     |
| AGENCY TOTAL                              | 430,000    | 430,000    |
|   |            |            |
| GENERAL GOVERNMENT                        |            |            |
|   |            |            |
| GOVERNOR'S OFFICE                         |            |            |
| Personal Services                         | 1,998,912  | 1,998,912  |
| Other Expenses                            | 185,402    | 185,402    |
| New England Governors' Conference         | 74,391     | 74,391     |
| National Governors' Association           | 116,893    | 116,893    |
| AGENCY TOTAL                              | 2,375,598  | 2,375,598  |
|   |            |            |
| SECRETARY OF THE STATE                    |            |            |
| Personal Services                         | 2,623,326  | 2,623,326  |
| Other Expenses                            | 1,747,593  | 1,747,589  |
| Commercial Recording Division             | 4,610,034  | 4,610,034  |
| AGENCY TOTAL                              | 8,980,953  | 8,980,949  |
|   |            |            |
| LIEUTENANT GOVERNOR'S OFFICE              |            |            |
| Personal Services                         | 591,699    | 591,699    |

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|                                       |            |            |
|---------------------------------------|------------|------------|
| Other Expenses                        | 60,264     | 60,264     |
| AGENCY TOTAL                          | 651,963    | 651,963    |
|                                       |            |            |
| ELECTIONS ENFORCEMENT COMMISSION      |            |            |
| Elections Enforcement Commission      | 3,125,570  | 3,125,570  |
|                                       |            |            |
| OFFICE OF STATE ETHICS                |            |            |
| Information Technology Initiatives    | 28,226     | 28,226     |
| Office of State Ethics                | 1,403,529  | 1,403,529  |
| AGENCY TOTAL                          | 1,431,755  | 1,431,755  |
|                                       |            |            |
| FREEDOM OF INFORMATION COMMISSION     |            |            |
| Freedom of Information Commission     | 1,513,476  | 1,513,476  |
|                                       |            |            |
| STATE TREASURER                       |            |            |
| Personal Services                     | 2,838,478  | 2,838,478  |
| Other Expenses                        | 132,225    | 132,225    |
| AGENCY TOTAL                          | 2,970,703  | 2,970,703  |
|                                       |            |            |
| STATE COMPTROLLER                     |            |            |
| Personal Services                     | 22,655,097 | 22,655,097 |
| Other Expenses                        | 4,748,854  | 4,748,854  |
| AGENCY TOTAL                          | 27,403,951 | 27,403,951 |
|                                       |            |            |
| DEPARTMENT OF REVENUE SERVICES        |            |            |
| Personal Services                     | 56,380,743 | 56,210,743 |
| Other Expenses                        | 7,961,117  | 6,831,117  |
| AGENCY TOTAL                          | 64,341,860 | 63,041,860 |
|                                       |            |            |
| OFFICE OF GOVERNMENTAL ACCOUNTABILITY |            |            |
| Other Expenses                        | 34,218     | 34,218     |
| Child Fatality Review Panel           | 94,734     | 94,734     |

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|   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| Contracting Standards Board                                   | 257,894                             | 257,894                             |
| Judicial Review Council                                       | 124,509                             | 124,509                             |
| Judicial Selection Commission                                 | 82,097                              | 82,097                              |
| Office of the Child Advocate                                  | 630,059                             | 630,059                             |
| Office of the Victim Advocate                                 | 387,708                             | 387,708                             |
| Board of Firearms Permit Examiners                            | 113,272                             | 113,272                             |
| AGENCY TOTAL  | 1,724,491                           | 1,724,491                           |
|   |                                     |                                     |
| OFFICE OF POLICY AND<br>MANAGEMENT                            |                                     |                                     |
| Personal Services   | 10,006,964                          | 10,006,964                          |
| Other Expenses  | 1,098,084                           | 1,098,084                           |
| Automated Budget System and Data<br>Base Link                 | 39,668                              | 39,668                              |
| Justice Assistance Grants                                     | 910,489                             | 910,489                             |
| Project Longevity   | 850,000                             | 850,000                             |
| Council of Governments  | 2,750,000                           | 5,000,000                           |
| Tax Relief For Elderly Renters                                | [12,685,377]<br><u>25,020,226</u>   | [13,666,177]<br><u>25,020,226</u>   |
| Reimbursement to Towns for Loss of<br>Taxes on State Property | 51,596,345                          | 56,045,788                          |
| Reimbursements to Towns for Private<br>Tax-Exempt Property    | 100,900,058                         | 105,889,432                         |
| Reimbursement Property Tax -<br>Disability Exemption          | 374,065                             | 374,065                             |
| Property Tax Relief Elderly Freeze<br>Program                 | 65,000                              | 65,000                              |
| Property Tax Relief for Veterans                              | 2,777,546                           | 2,777,546                           |
| Municipal Revenue Sharing                                     | 35,221,814                          | 36,819,135                          |
| Municipal Restructuring                                       | 28,000,000                          | 28,000,000                          |
| Municipal Transition  | 36,000,000                          | 15,000,000                          |
| Municipal Stabilization Grant                                 | 56,903,954                          | 37,753,335                          |
| AGENCY TOTAL  | [340,179,364]<br><u>352,514,213</u> | [314,295,683]<br><u>325,649,732</u> |
|   |                                     |                                     |
| DEPARTMENT OF VETERANS'<br>AFFAIRS                            |                                     |                                     |

**Senate Bill No. 1503**

|   |             |             |
|---|-------------|-------------|
| Personal Services                                 | 19,914,195  | 17,914,195  |
| Other Expenses                                    | 3,056,239   | 3,056,239   |
| SSMF Administration                               | 521,833     | 521,833     |
| Burial Expenses                                   | 6,666       | 6,666       |
| Headstones  | 307,834     | 307,834     |
| AGENCY TOTAL                                      | 23,806,767  | 21,806,767  |
|   |             |             |
| DEPARTMENT OF<br>ADMINISTRATIVE SERVICES          |             |             |
| Personal Services                                 | 47,168,198  | 47,168,198  |
| Other Expenses                                    | 28,543,249  | 28,804,457  |
| Loss Control Risk Management                      | 92,634      | 92,634      |
| Employees' Review Board                           | 17,611      | 17,611      |
| Surety Bonds for State Officials and<br>Employees | 65,949      | 147,524     |
| Refunds Of Collections                            | 21,453      | 21,453      |
| Rents and Moving                                  | 10,562,692  | 11,318,952  |
| W. C. Administrator                               | 5,000,000   | 5,000,000   |
| Connecticut Education Network                     | 952,907     |             |
| State Insurance and Risk Mgmt<br>Operations       | 10,719,619  | 10,917,391  |
| IT Services                                       | 12,489,014  | 12,384,014  |
| Firefighters Fund                                 | 400,000     | 400,000     |
| AGENCY TOTAL                                      | 116,033,326 | 116,272,234 |
|   |             |             |
| ATTORNEY GENERAL                                  |             |             |
| Personal Services                                 | 30,323,304  | 30,923,304  |
| Other Expenses                                    | 968,906     | 1,068,906   |
| AGENCY TOTAL                                      | 31,292,210  | 31,992,210  |
|   |             |             |
| DIVISION OF CRIMINAL JUSTICE                      |             |             |
| Personal Services                                 | 44,094,555  | 44,021,057  |
| Other Expenses                                    | 2,276,404   | 2,273,280   |
| Witness Protection                                | 164,148     | 164,148     |
| Training And Education                            | 27,398      | 27,398      |
| Expert Witnesses                                  | 135,413     | 135,413     |



**Senate Bill No. 1503**

|  |             |             |
|--|-------------|-------------|
| Medicaid Fraud Control                                 | 1,041,425   | 1,041,425   |
| Criminal Justice Commission                            | 409         | 409         |
| Cold Case Unit   | 228,213     | 228,213     |
| Shooting Taskforce                                     | 1,034,499   | 1,034,499   |
| AGENCY TOTAL   | 49,002,464  | 48,925,842  |
|  |             |             |
| REGULATION AND PROTECTION                              |             |             |
|  |             |             |
| DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION |             |             |
| Personal Services                                      | 144,109,537 | 146,234,975 |
| Other Expenses   | 26,623,919  | 26,611,310  |
| Stress Reduction                                       | 25,354      | 25,354      |
| Fleet Purchase   | 6,202,962   | 6,581,737   |
| Workers' Compensation Claims                           | 4,541,962   | 4,636,817   |
| Criminal Justice Information System                    | 2,392,840   | 2,739,398   |
| Fire Training School - Willimantic                     | 150,076     | 150,076     |
| Maintenance of County Base Fire Radio Network          | 21,698      | 21,698      |
| Maintenance of State-Wide Fire Radio Network           | 14,441      | 14,441      |
| Police Association of Connecticut                      | 172,353     | 172,353     |
| Connecticut State Firefighter's Association            | 176,625     | 176,625     |
| Fire Training School - Torrington                      | 81,367      | 81,367      |
| Fire Training School - New Haven                       | 48,364      | 48,364      |
| Fire Training School - Derby                           | 37,139      | 37,139      |
| Fire Training School - Wolcott                         | 100,162     | 100,162     |
| Fire Training School - Fairfield                       | 70,395      | 70,395      |
| Fire Training School - Hartford                        | 169,336     | 169,336     |
| Fire Training School - Middletown                      | 68,470      | 68,470      |
| Fire Training School - Stamford                        | 55,432      | 55,432      |
| AGENCY TOTAL   | 185,062,432 | 187,995,449 |
|  |             |             |
| MILITARY DEPARTMENT                                    |             |             |

**Senate Bill No. 1503**

|  |            |            |
|--|------------|------------|
| Personal Services                      | 2,711,254  | 2,711,254  |
| Other Expenses                         | 2,262,356  | 2,284,779  |
| Honor Guards                           | 525,000    | 525,000    |
| Veteran's Service Bonuses              | 93,333     | 93,333     |
| AGENCY TOTAL                           | 5,591,943  | 5,614,366  |
|  |            |            |
| DEPARTMENT OF CONSUMER PROTECTION      |            |            |
| Personal Services                      | 12,749,297 | 12,749,297 |
| Other Expenses                         | 1,193,685  | 1,193,685  |
| AGENCY TOTAL                           | 13,942,982 | 13,942,982 |
|  |            |            |
| LABOR DEPARTMENT                       |            |            |
| Personal Services                      | 8,747,739  | 8,747,739  |
| Other Expenses                         | 1,080,343  | 1,080,343  |
| CETC Workforce                         | 619,591    | 619,591    |
| Workforce Investment Act               | 36,758,476 | 36,758,476 |
| Job Funnels Projects                   | 108,656    | 108,656    |
| Connecticut's Youth Employment Program | 1,000,000  | 4,000,000  |
| Jobs First Employment Services         | 13,869,606 | 13,869,606 |
| Apprenticeship Program                 | 465,342    | 465,342    |
| Spanish-American Merchants Association | 400,489    | 400,489    |
| Connecticut Career Resource Network    | 153,113    | 153,113    |
| STRIVE                                 | 108,655    | 108,655    |
| Opportunities for Long Term Unemployed | 1,753,994  | 1,753,994  |
| Veterans' Opportunity Pilot            | 227,606    | 227,606    |
| Second Chance Initiative               | 444,861    | 444,861    |
| Cradle To Career                       | 100,000    | 100,000    |
| New Haven Jobs Funnel                  | 344,241    | 344,241    |
| Healthcare Apprenticeship Initiative   | 500,000    | 1,000,000  |
| Manufacturing Pipeline Initiative      | 500,000    | 1,000,000  |
| AGENCY TOTAL                           | 67,182,712 | 71,182,712 |
|  |            |            |

**Senate Bill No. 1503**

|   |            |            |
|---|------------|------------|
| COMMISSION ON HUMAN RIGHTS AND OPPORTUNITIES      |            |            |
| Personal Services                                 | 5,916,770  | 5,880,844  |
| Other Expenses                                    | 302,061    | 302,061    |
| Martin Luther King, Jr. Commission                | 5,977      | 5,977      |
| AGENCY TOTAL                                      | 6,224,808  | 6,188,882  |
|   |            |            |
| CONSERVATION AND DEVELOPMENT                      |            |            |
|   |            |            |
| DEPARTMENT OF AGRICULTURE                         |            |            |
| Personal Services                                 | 3,610,221  | 3,610,221  |
| Other Expenses                                    | 845,038    | 845,038    |
| Senior Food Vouchers                              | 350,442    | 350,442    |
| Tuberculosis and Brucellosis Indemnity            | 97         | 97         |
| WIC Coupon Program for Fresh Produce              | 167,938    | 167,938    |
| AGENCY TOTAL                                      | 4,973,736  | 4,973,736  |
|   |            |            |
| DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION |            |            |
| Personal Services                                 | 23,162,728 | 22,144,784 |
| Other Expenses                                    | 1,408,267  | 527,266    |
| Mosquito Control                                  | 224,243    | 221,097    |
| State Superfund Site Maintenance                  | 399,577    | 399,577    |
| Laboratory Fees                                   | 129,015    | 129,015    |
| Dam Maintenance                                   | 120,486    | 113,740    |
| Emergency Spill Response                          | 6,481,921  | 6,481,921  |
| Solid Waste Management                            | 3,613,792  | 3,613,792  |
| Underground Storage Tank                          | 855,844    | 855,844    |
| Clean Air   | 3,925,897  | 3,925,897  |
| Environmental Conservation                        | 5,263,481  | 4,950,803  |
| Environmental Quality                             | 8,434,764  | 8,410,957  |
| Greenways Account                                 | 2          | 2          |
| Fish Hatcheries                                   | 2,079,562  | 2,079,562  |

**Senate Bill No. 1503**

|   |            |            |
|---|------------|------------|
| Interstate Environmental Commission               | 44,937     | 44,937     |
| New England Interstate Water Pollution Commission | 26,554     | 26,554     |
| Northeast Interstate Forest Fire Compact          | 3,082      | 3,082      |
| Connecticut River Valley Flood Control Commission | 30,295     | 30,295     |
| Thames River Valley Flood Control Commission      | 45,151     | 45,151     |
| AGENCY TOTAL                                      | 56,249,598 | 54,004,276 |
|   |            |            |
| COUNCIL ON ENVIRONMENTAL QUALITY                  |            |            |
| Personal Services                                 | 173,190    |            |
| Other Expenses                                    | 613        |            |
| AGENCY TOTAL                                      | 173,803    |            |
|   |            |            |
| DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  |            |            |
| Personal Services                                 | 7,145,317  | 7,145,317  |
| Other Expenses                                    | 527,335    | 527,335    |
| Statewide Marketing                               | 6,435,000  |            |
| Hartford Urban Arts Grant                         | 242,371    |            |
| New Britain Arts Council                          | 39,380     |            |
| Main Street Initiatives                           | 100,000    |            |
| Office of Military Affairs                        | 187,575    | 187,575    |
| CCAT-CT Manufacturing Supply Chain                | 497,082    |            |
| Capital Region Development Authority              | 6,261,621  | 6,299,121  |
| Neighborhood Music School                         | 80,540     |            |
| Municipal Regional Development Authority          |            | 610,500    |
| Nutmeg Games                                      | 40,000     |            |
| Discovery Museum                                  | 196,895    |            |
| National Theatre of the Deaf                      | 78,758     |            |
| CONNSTEP  | 390,471    |            |
| Connecticut Science Center                        | 446,626    |            |

**Senate Bill No. 1503**

|  |            |            |
|--|------------|------------|
| CT Flagship Producing Theaters Grant     | 259,951    |            |
| Performing Arts Centers                  | 787,571    |            |
| Performing Theaters Grant                | 306,753    |            |
| Arts Commission                          | 1,497,298  |            |
| Art Museum Consortium                    | 287,313    |            |
| Litchfield Jazz Festival                 | 29,000     |            |
| Arte Inc.                                | 20,735     |            |
| CT Virtuosi Orchestra                    | 15,250     |            |
| Barnum Museum                            | 20,735     |            |
| Various Grants                           | 130,000    |            |
| Greater Hartford Arts Council            | 74,079     |            |
| Stepping Stones Museum for Children      | 30,863     |            |
| Maritime Center Authority                | 303,705    |            |
| Connecticut Humanities Council           | 850,000    |            |
| Amistad Committee for the Freedom Trail  | 36,414     |            |
| Amistad Vessel                           | 263,856    |            |
| New Haven Festival of Arts and Ideas     | 414,511    |            |
| New Haven Arts Council                   | 52,000     |            |
| Beardsley Zoo                            | 253,879    |            |
| Mystic Aquarium                          | 322,397    |            |
| Northwestern Tourism                     | 400,000    |            |
| Eastern Tourism                          | 400,000    |            |
| Central Tourism                          | 400,000    |            |
| Twain/Stowe Homes                        | 81,196     |            |
| Cultural Alliance of Fairfield           | 52,000     |            |
| AGENCY TOTAL                             | 29,958,477 | 14,769,848 |
|  |            |            |
| DEPARTMENT OF HOUSING                    |            |            |
| Personal Services                        | 1,853,013  | 1,853,013  |
| Other Expenses                           | 162,047    | 162,047    |
| Elderly Rental Registry and Counselors   | 1,035,431  | 1,035,431  |
| Homeless Youth                           | 2,329,087  | 2,329,087  |
| Subsidized Assisted Living Demonstration | 2,084,241  | 2,084,241  |
| Congregate Facilities Operation Costs    | 7,336,204  | 7,336,204  |

**Senate Bill No. 1503**

|  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| Elderly Congregate Rent Subsidy          | 1,982,065                         | 1,982,065                         |
| Housing/Homeless Services                | 74,024,210                        | 78,628,792                        |
| Housing/Homeless Services - Municipality | 586,965                           | 586,965                           |
| AGENCY TOTAL                             | 91,393,263                        | 95,997,845                        |
|  |                                   |                                   |
| AGRICULTURAL EXPERIMENT STATION          |                                   |                                   |
| Personal Services                        | 5,636,399                         | 5,636,399                         |
| Other Expenses                           | 910,560                           | 910,560                           |
| Mosquito Control                         | 502,312                           | 502,312                           |
| Wildlife Disease Prevention              | 92,701                            | 92,701                            |
| AGENCY TOTAL                             | 7,141,972                         | 7,141,972                         |
|  |                                   |                                   |
| HEALTH                                   |                                   |                                   |
|  |                                   |                                   |
| DEPARTMENT OF PUBLIC HEALTH              |                                   |                                   |
| Personal Services                        | 35,454,225                        | 34,180,177                        |
| Other Expenses                           | 7,799,552                         | 7,908,041                         |
| [Children's Health Initiatives]          | [2,935,769]                       | [2,935,769]                       |
| Community Health Services                | 1,689,268                         | 1,900,431                         |
| Rape Crisis                              | 558,104                           | 558,104                           |
| Local and District Departments of Health | 4,144,588                         | 4,144,588                         |
| School Based Health Clinics              | 11,039,012                        | 11,039,012                        |
| AGENCY TOTAL                             | [63,620,518]<br><u>60,684,749</u> | [62,666,122]<br><u>59,730,353</u> |
|  |                                   |                                   |
| OFFICE OF HEALTH STRATEGY                |                                   |                                   |
| Personal Services                        |                                   | 1,937,390                         |
| Other Expenses                           |                                   | 38,042                            |
| AGENCY TOTAL                             |                                   | 1,975,432                         |
|  |                                   |                                   |
| OFFICE OF THE CHIEF MEDICAL EXAMINER     |                                   |                                   |
| Personal Services                        | 4,926,809                         | 4,926,809                         |

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|  |             |             |
|--|-------------|-------------|
| Other Expenses                                     | 1,435,536   | 1,435,536   |
| Equipment  | 26,400      | 23,310      |
| Medicolegal Investigations                         | 22,150      | 22,150      |
| AGENCY TOTAL                                       | 6,410,895   | 6,407,805   |
|  |             |             |
| DEPARTMENT OF DEVELOPMENTAL SERVICES               |             |             |
| Personal Services                                  | 207,943,136 | 206,888,083 |
| Other Expenses                                     | 16,665,111  | 16,590,769  |
| Housing Supports and Services                      |             | 350,000     |
| Family Support Grants                              | 3,700,840   | 3,700,840   |
| Clinical Services                                  | 2,372,737   | 2,365,359   |
| Workers' Compensation Claims                       | 13,823,176  | 13,823,176  |
| Behavioral Services Program                        | 22,478,496  | 22,478,496  |
| Supplemental Payments for Medical Services         | 3,761,425   | 3,761,425   |
| ID Partnership Initiatives                         | 1,400,000   | 1,900,000   |
| Rent Subsidy Program                               | 4,879,910   | 4,879,910   |
| Employment Opportunities and Day Services          | 242,551,827 | 251,900,305 |
| AGENCY TOTAL                                       | 519,576,658 | 528,638,363 |
|  |             |             |
| DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES |             |             |
| Personal Services                                  | 185,075,887 | 185,075,887 |
| Other Expenses                                     | 24,412,372  | 24,412,372  |
| Housing Supports and Services                      | 23,269,681  | 23,269,681  |
| Managed Service System                             | 56,505,032  | 56,505,032  |
| Legal Services                                     | 700,144     | 700,144     |
| Connecticut Mental Health Center                   | 7,848,323   | 7,848,323   |
| Professional Services                              | 11,200,697  | 11,200,697  |
| General Assistance Managed Care                    | 41,449,129  | 42,160,121  |
| Workers' Compensation Claims                       | 11,405,512  | 11,405,512  |
| Nursing Home Screening                             | 636,352     | 636,352     |
| Young Adult Services                               | 76,859,968  | 76,859,968  |

**Senate Bill No. 1503**

|  |   |   |
|--|---|---|
| TBI Community Services                                 | 8,779,723                               | 8,779,723                               |
| Jail Diversion   | 95,000                                  | 190,000                                 |
| Behavioral Health Medications                          | 6,720,754                               | 6,720,754                               |
| Medicaid Adult Rehabilitation Option                   | 4,269,653                               | 4,269,653                               |
| Discharge and Diversion Services                       | 24,533,818                              | 24,533,818                              |
| Home and Community Based Services                      | 22,168,382                              | 24,173,942                              |
| Nursing Home Contract                                  | 417,953                                 | 417,953                                 |
| Pre-Trial Account                                      | 620,352                                 | 620,352                                 |
| Forensic Services                                      | 10,235,895                              | 10,140,895                              |
| Katie Blair House                                      | 15,000                                  | 15,000                                  |
| Grants for Substance Abuse Services                    | 17,788,229                              | 17,788,229                              |
| Grants for Mental Health Services                      | 65,874,535                              | 65,874,535                              |
| Employment Opportunities                               | 8,901,815                               | 8,901,815                               |
| AGENCY TOTAL   | 609,784,206                             | 612,500,758                             |
|  |   |   |
| PSYCHIATRIC SECURITY REVIEW BOARD                      |   |   |
| Personal Services                                      | 271,444                                 | 271,444                                 |
| Other Expenses   | 26,387                                  | 26,387                                  |
| AGENCY TOTAL   | 297,831                                 | 297,831                                 |
|  |   |   |
| HUMAN SERVICES   |   |   |
|  |   |   |
| DEPARTMENT OF SOCIAL SERVICES                          |   |   |
| Personal Services                                      | 122,536,340                             | 122,536,340                             |
| Other Expenses   | 143,029,224                             | 146,570,860                             |
| Genetic Tests in Paternity Actions                     | 81,906                                  | 81,906                                  |
| State-Funded Supplemental Nutrition Assistance Program | 31,205                                  |   |
| HUSKY B Program  | 5,060,000                               | 5,320,000                               |
| Medicaid   | [2,619,440,000]<br><u>2,570,840,000</u> | [2,733,065,000]<br><u>2,616,365,000</u> |
| Old Age Assistance                                     | 38,506,679                              | 38,026,302                              |
| Aid To The Blind                                       | 577,715                                 | 584,005                                 |
| Aid To The Disabled                                    | 60,874,851                              | 59,707,546                              |



**Senate Bill No. 1503**

|   |  |  |
|---|--|--|
| Temporary Family Assistance - TANF                              | 70,131,712                                     | 70,131,712                                     |
| Emergency Assistance  | 1  | 1  |
| Food Stamp Training Expenses                                    | 9,832  | 9,832  |
| DMHAS-Disproportionate Share                                    | 108,935,000                                    | 108,935,000                                    |
| Connecticut Home Care Program                                   | 42,090,000                                     | 46,530,000                                     |
| Human Resource Development-<br>Hispanic Programs                | 697,307  | 697,307  |
| Community Residential Services                                  | 553,929,013                                    | 571,064,720                                    |
| Protective Services to the Elderly                              |  | 785,204  |
| Safety Net Services   | 1,840,882                                      | 1,840,882                                      |
| Refunds Of Collections  | 94,699   | 94,699   |
| Services for Persons With Disabilities                          | 370,253  | 370,253  |
| Nutrition Assistance  | 725,000  | 837,039  |
| State Administered General Assistance                           | 19,431,557                                     | 19,334,722                                     |
| Connecticut Children's Medical Center                           | 11,391,454                                     | 10,125,737                                     |
| Community Services  | 688,676  | 688,676  |
| Human Service Infrastructure<br>Community Action Program        | 2,994,488                                      | 3,209,509                                      |
| Teen Pregnancy Prevention                                       | 1,271,286                                      | 1,271,286                                      |
| Programs for Senior Citizens                                    | 7,895,383                                      | 7,895,383                                      |
| Family Programs - TANF  | 316,835  | 316,835  |
| Domestic Violence Shelters                                      | 5,304,514                                      | 5,353,162                                      |
| <u>Hospital Supplemental Payments</u>                           | <u>598,440,138</u>                             | <u>496,340,138</u>                             |
| Human Resource Development-<br>Hispanic Programs - Municipality | 4,120  | 4,120  |
| Teen Pregnancy Prevention -<br>Municipality                     | 100,287  | 100,287  |
| AGENCY TOTAL  | <b>[4,416,800,357]</b><br><u>4,368,200,357</u> | <b>[4,451,828,463]</b><br><u>4,335,128,463</u> |
| DEPARTMENT OF<br>REHABILITATION SERVICES                        |  |  |
| Personal Services   | 4,843,781                                      | 4,843,781                                      |
| Other Expenses  | 1,398,021                                      | 1,398,021                                      |
| Educational Aid for Blind and Visually<br>Handicapped Children  | 4,040,237                                      | 4,040,237                                      |
| Employment Opportunities - Blind &                              | 1,032,521                                      | 1,032,521                                      |

**Senate Bill No. 1503**

|   |             |             |
|---|-------------|-------------|
| Disabled  |             |             |
| Vocational Rehabilitation - Disabled                      | 7,354,087   | 7,354,087   |
| Supplementary Relief and Services                         | 45,762      | 45,762      |
| Special Training for the Deaf Blind                       | 268,003     | 268,003     |
| Connecticut Radio Information Service                     | 27,474      | 27,474      |
| Independent Living Centers                                | 420,962     | 420,962     |
| AGENCY TOTAL  | 19,430,848  | 19,430,848  |
|   |             |             |
| EDUCATION, MUSEUMS, LIBRARIES                             |             |             |
|   |             |             |
| DEPARTMENT OF EDUCATION                                   |             |             |
| Personal Services   | 16,264,240  | 16,264,240  |
| Other Expenses  | 3,261,940   | 3,261,940   |
| Development of Mastery Exams<br>Grades 4, 6, and 8        | 10,443,016  | 10,443,016  |
| Primary Mental Health                                     | 383,653     | 383,653     |
| Leadership, Education, Athletics in<br>Partnership (LEAP) | 462,534     | 462,534     |
| Adult Education Action                                    | 216,149     | 216,149     |
| Connecticut Writing Project                               | 30,000      | 30,000      |
| Resource Equity Assessments                               | 134,379     |             |
| Neighborhood Youth Centers                                | 650,172     | 650,172     |
| Longitudinal Data Systems                                 | 1,212,945   | 1,212,945   |
| Sheff Settlement  | 11,027,361  | 11,027,361  |
| Parent Trust Fund Program                                 | 395,841     | 395,841     |
| Regional Vocational-Technical School<br>System            | 133,875,227 | 133,918,454 |
| Commissioner's Network                                    | 10,009,398  | 10,009,398  |
| Local Charter Schools                                     | 480,000     | 540,000     |
| Bridges to Success  | 40,000      | 40,000      |
| K-3 Reading Assessment Pilot                              | 2,461,580   | 2,461,940   |
| Talent Development  | 650,000     | 650,000     |
| School-Based Diversion Initiative                         | 1,000,000   | 1,000,000   |
| Technical High Schools Other Expenses                     | 23,861,660  | 23,861,660  |
| American School For The Deaf                              | 8,257,514   | 8,257,514   |
| Regional Education Services                               | 350,000     | 350,000     |

**Senate Bill No. 1503**

|   |               |               |
|---|---------------|---------------|
| Family Resource Centers                               | 5,802,710     | 5,802,710     |
| Charter Schools                                       | 109,821,500   | 116,964,132   |
| Youth Service Bureau Enhancement                      | 648,859       | 648,859       |
| Child Nutrition State Match                           | 2,354,000     | 2,354,000     |
| Health Foods Initiative                               | 4,101,463     | 4,151,463     |
| Vocational Agriculture                                | 10,228,589    | 10,228,589    |
| Adult Education                                       | 20,383,960    | 20,383,960    |
| Health and Welfare Services Pupils<br>Private Schools | 3,526,579     | 3,526,579     |
| Education Equalization Grants                         | 1,986,183,701 | 2,017,131,405 |
| Bilingual Education                                   | 2,848,320     | 2,848,320     |
| Priority School Districts                             | 38,103,454    | 38,103,454    |
| Young Parents Program                                 | 106,159       | 106,159       |
| Interdistrict Cooperation                             | 3,050,000     | 3,050,000     |
| School Breakfast Program                              | 2,158,900     | 2,158,900     |
| Excess Cost - Student Based                           | 142,542,860   | 142,119,782   |
| Youth Service Bureaus                                 | 2,598,486     | 2,598,486     |
| Open Choice Program                                   | 38,090,639    | 40,090,639    |
| Magnet Schools  | 328,058,158   | 326,508,158   |
| After School Program                                  | 4,720,695     | 4,720,695     |
| AGENCY TOTAL  | 2,930,796,641 | 2,968,933,107 |
|   |               |               |
| <b>OFFICE OF EARLY CHILDHOOD</b>                      |               |               |
| Personal Services                                     | 7,791,962     | 7,791,962     |
| Other Expenses  | 411,727       | 411,727       |
| Birth to Three  | 21,446,804    | 21,446,804    |
| Evenstart   | 437,713       | 437,713       |
| 2Gen - TANF   | 750,000       | 750,000       |
| Nurturing Families Network                            | 10,230,303    | 10,230,303    |
| Head Start Services                                   | 5,186,978     | 5,186,978     |
| Care4Kids TANF/CCDF                                   | 124,981,059   | 130,032,034   |
| Child Care Quality Enhancements                       | 6,855,033     | 6,855,033     |
| Early Head Start-Child Care<br>Partnership            | 1,130,750     | 1,130,750     |
| Early Care and Education                              | 104,086,354   | 101,507,832   |
| Smart Start   |               | 3,325,000     |

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|   |             |             |
|---|-------------|-------------|
| AGENCY TOTAL                              | 283,308,683 | 289,106,136 |
|   |             |             |
| STATE LIBRARY                             |             |             |
| Personal Services                         | 5,019,931   | 5,019,931   |
| Other Expenses                            | 426,673     | 426,673     |
| State-Wide Digital Library                | 1,750,193   | 1,750,193   |
| Interlibrary Loan Delivery Service        | 276,232     | 276,232     |
| Legal/Legislative Library Materials       | 638,378     | 638,378     |
| Support Cooperating Library Service Units | 184,300     | 184,300     |
| Connecticard Payments                     | 781,820     | 781,820     |
| AGENCY TOTAL                              | 9,077,527   | 9,077,527   |
|   |             |             |
| OFFICE OF HIGHER EDUCATION                |             |             |
| Personal Services                         | 1,428,180   | 1,428,180   |
| Other Expenses                            | 69,964      | 69,964      |
| Minority Advancement Program              | 1,789,690   | 1,789,690   |
| National Service Act                      | 260,896     | 260,896     |
| Minority Teacher Incentive Program        | 355,704     | 355,704     |
| Roberta B. Willis Scholarship Fund        | 35,345,804  | 33,388,637  |
| AGENCY TOTAL                              | 39,250,238  | 37,293,071  |
|   |             |             |
| UNIVERSITY OF CONNECTICUT                 |             |             |
| Operating Expenses                        | 179,422,908 | 176,494,509 |
| Workers' Compensation Claims              | 2,299,505   | 2,271,228   |
| Next Generation Connecticut               | 17,530,936  | 17,353,856  |
| AGENCY TOTAL                              | 199,253,349 | 196,119,593 |
|   |             |             |
| UNIVERSITY OF CONNECTICUT HEALTH CENTER   |             |             |
| Operating Expenses                        | 106,746,887 | 106,746,848 |
| AHEC                                      | 374,566     | 374,566     |
| Workers' Compensation Claims              | 4,320,855   | 4,324,771   |
| Bioscience                                | 10,984,843  | 11,567,183  |
| AGENCY TOTAL                              | 122,427,151 | 123,013,368 |
|   |             |             |

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|  |                      |                      |
|--|----------------------|----------------------|
| <b>TEACHERS' RETIREMENT BOARD</b>                  |                      |                      |
| Personal Services                                  | 1,606,365            | 1,606,365            |
| Other Expenses                                     | 468,134              | 468,134              |
| Retirement Contributions                           | 1,290,429,000        | 1,332,368,000        |
| Retirees Health Service Cost                       | 14,554,500           | 14,575,250           |
| Municipal Retiree Health Insurance Costs           | 4,644,673            | 4,644,673            |
| <b>AGENCY TOTAL</b>                                | <b>1,311,702,672</b> | <b>1,353,662,422</b> |
| <b>CONNECTICUT STATE COLLEGES AND UNIVERSITIES</b> |                      |                      |
| Workers' Compensation Claims                       | 3,289,276            | 3,289,276            |
| Charter Oak State College                          | 2,263,617            | 2,263,617            |
| Community Tech College System                      | 150,743,937          | 138,243,937          |
| Connecticut State University                       | 140,932,908          | 142,230,435          |
| Board of Regents                                   | 366,875              | 366,875              |
| Developmental Services                             | 9,168,168            | 9,168,168            |
| Outcomes-Based Funding Incentive                   | 1,236,481            | 1,236,481            |
| Institute for Municipal and Regional Policy        | 994,650              | 994,650              |
| <b>AGENCY TOTAL</b>                                | <b>308,995,912</b>   | <b>297,793,439</b>   |
| <b>CORRECTIONS</b>                                 |                      |                      |
| <b>DEPARTMENT OF CORRECTION</b>                    |                      |                      |
| Personal Services                                  | 383,924,663          | 382,622,893          |
| Other Expenses                                     | 66,973,023           | 66,727,581           |
| Workers' Compensation Claims                       | 26,871,594           | 26,871,594           |
| Inmate Medical Services                            | 80,426,658           | 72,383,992           |
| Board of Pardons and Paroles                       | 6,415,288            | 6,415,288            |
| STRIDE   | 108,656              | 108,656              |
| Program Evaluation                                 | 75,000               | 75,000               |
| Aid to Paroled and Discharged Inmates              | 3,000                | 3,000                |
| Legal Services To Prisoners                        | 797,000              | 797,000              |
| Volunteer Services                                 | 129,460              | 129,460              |
| Community Support Services                         | 33,909,614           | 33,909,614           |

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|  |             |             |
|--|-------------|-------------|
| AGENCY TOTAL   | 599,633,956 | 590,044,078 |
|  |             |             |
| DEPARTMENT OF CHILDREN AND FAMILIES                      |             |             |
| Personal Services  | 273,254,796 | 273,254,796 |
| Other Expenses   | 30,576,026  | 30,416,026  |
| Workers' Compensation Claims                             | 12,578,720  | 12,578,720  |
| Family Support Services                                  | 867,677     | 867,677     |
| Differential Response System                             | 7,809,192   | 7,764,046   |
| Regional Behavioral Health Consultation                  | 1,699,624   | 1,619,023   |
| Health Assessment and Consultation                       | 1,349,199   | 1,082,532   |
| Grants for Psychiatric Clinics for Children              | 15,046,541  | 14,979,041  |
| Day Treatment Centers for Children                       | 6,815,978   | 6,759,728   |
| Juvenile Justice Outreach Services                       | 5,443,769   |             |
| Child Abuse and Neglect Intervention                     | 11,949,620  | 10,116,287  |
| Community Based Prevention Programs                      | 7,945,305   | 7,637,305   |
| Family Violence Outreach and Counseling                  | 3,061,579   | 2,547,289   |
| Supportive Housing                                       | 18,479,526  | 18,479,526  |
| No Nexus Special Education                               | 2,151,861   | 2,151,861   |
| Family Preservation Services                             | 6,133,574   | 6,070,574   |
| Substance Abuse Treatment                                | 9,913,559   | 9,840,612   |
| Child Welfare Support Services                           | 1,757,237   | 1,757,237   |
| Board and Care for Children - Adoption                   | 97,105,408  | 98,735,921  |
| Board and Care for Children - Foster                     | 134,738,432 | 135,345,435 |
| Board and Care for Children - Short-term and Residential | 92,819,051  | 90,339,295  |
| Individualized Family Supports                           | 6,523,616   | 6,552,680   |
| Community Kidcare  | 38,268,191  | 37,968,191  |
| Covenant to Care   | 136,273     | 136,273     |
| AGENCY TOTAL   | 786,424,754 | 777,000,075 |
|  |             |             |
| JUDICIAL   |             |             |

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|  |               |               |
|--|---------------|---------------|
|  |               |               |
| JUDICIAL DEPARTMENT                                      |               |               |
| Personal Services  | 326,270,877   | 325,432,553   |
| Other Expenses   | 61,067,995    | 60,639,025    |
| Forensic Sex Evidence Exams                              | 1,348,010     | 1,348,010     |
| Alternative Incarceration Program                        | 49,538,792    | 49,538,792    |
| Justice Education Center, Inc.                           | 466,217       | 466,217       |
| Juvenile Alternative Incarceration                       | 20,683,458    | 20,683,458    |
| Probate Court  | 2,000,000     | 4,450,000     |
| Workers' Compensation Claims                             | 6,042,106     | 6,042,106     |
| Youthful Offender Services                               | 10,445,555    | 10,445,555    |
| Victim Security Account                                  | 8,792         | 8,792         |
| Children of Incarcerated Parents                         | 544,503       | 544,503       |
| Legal Aid  | 1,552,382     | 1,552,382     |
| Youth Violence Initiative                                | 1,925,318     | 1,925,318     |
| Youth Services Prevention                                | 3,187,174     | 3,187,174     |
| Children's Law Center                                    | 102,717       | 102,717       |
| Juvenile Planning  | 333,792       | 333,792       |
| Juvenile Justice Outreach Services                       | 5,574,763     | 11,149,525    |
| Board and Care for Children - Short-term and Residential | 3,282,159     | 6,564,318     |
| AGENCY TOTAL   | 494,374,610   | 504,414,237   |
|  |               |               |
| PUBLIC DEFENDER SERVICES COMMISSION                      |               |               |
| Personal Services  | 40,130,053    | 40,042,553    |
| Other Expenses   | 1,176,487     | 1,173,363     |
| Assigned Counsel - Criminal                              | 22,442,284    | 22,442,284    |
| Expert Witnesses   | 3,234,137     | 3,234,137     |
| Training And Education                                   | 119,748       | 119,748       |
| AGENCY TOTAL   | 67,102,709    | 67,012,085    |
|  |               |               |
| NON-FUNCTIONAL   |               |               |
|  |               |               |
| DEBT SERVICE - STATE TREASURER                           |               |               |
| Debt Service   | 1,955,817,562 | 1,858,767,569 |

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|   |               |               |
|---|---------------|---------------|
| UConn 2000 - Debt Service                           | 189,526,253   | 210,955,639   |
| CHEFA Day Care Security                             | 5,500,000     | 5,500,000     |
| Pension Obligation Bonds - TRB                      | 140,219,021   | 118,400,521   |
| Municipal Restructuring                             | 20,000,000    | 20,000,000    |
| AGENCY TOTAL  | 2,311,062,836 | 2,213,623,729 |
|   |               |               |
| STATE COMPTROLLER -<br>MISCELLANEOUS                |               |               |
| Nonfunctional - Change to Accruals                  | 546,139       | 2,985,705     |
|   |               |               |
| STATE COMPTROLLER - FRINGE<br>BENEFITS              |               |               |
| Unemployment Compensation                           | 7,272,256     | 6,465,764     |
| State Employees Retirement<br>Contributions         | 1,200,988,149 | 1,324,658,878 |
| Higher Education Alternative<br>Retirement System   | 1,000         | 1,000         |
| Pensions and Retirements - Other<br>Statutory       | 1,606,796     | 1,657,248     |
| Judges and Compensation<br>Commissioners Retirement | 25,457,910    | 27,427,480    |
| Insurance - Group Life                              | 7,991,900     | 8,235,900     |
| Employers Social Security Tax                       | 198,812,550   | 197,818,172   |
| State Employees Health Service Cost                 | 665,642,460   | 707,332,481   |
| Retired State Employees Health Service<br>Cost      | 774,399,000   | 844,099,000   |
| Tuition Reimbursement - Training and<br>Travel      | 115,000       |               |
| Other Post Employment Benefits                      | 91,200,000    | 91,200,000    |
| AGENCY TOTAL  | 2,973,487,021 | 3,208,895,923 |
|   |               |               |
| RESERVE FOR SALARY<br>ADJUSTMENTS                   |               |               |
| Reserve For Salary Adjustments                      | 317,050,763   | 484,497,698   |
|   |               |               |
| WORKERS' COMPENSATION<br>CLAIMS - ADMINISTRATIVE    |               |               |



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|  |   |   |
|--|---|---|
| SERVICES   |   |   |
| Workers' Compensation Claims                                 | 7,605,530                                 | 7,605,530                                 |
|  |   |   |
| TOTAL - GENERAL FUND   | [19,610,855,680]<br><u>19,571,654,760</u> | [19,986,887,353]<br><u>19,885,371,203</u> |
|  |   |   |
| LESS:  |   |   |
|  |   |   |
| Unallocated Lapse  | -42,250,000                               | -51,765,570                               |
| Unallocated Lapse - Legislative                              | -1,000,000                                | -1,000,000                                |
| Unallocated Lapse - Judicial                                 | -3,000,000                                | -8,000,000                                |
| Statewide Hiring Reduction                                   | -6,500,000                                | -7,000,000                                |
| Targeted Savings   | -111,814,090                              | -150,878,179                              |
| Reflect Delay  | [-7,500,000]<br><u>-8,500,000</u>         |   |
| Achieve Labor Concessions                                    | -700,000,000                              | -867,600,000                              |
| <u>Municipal Contribution to Renters'<br/>Rebate Program</u> | <u>-8,500,000</u>                         | <u>-8,500,000</u>                         |
|  |   |   |
| NET - GENERAL FUND   | [18,738,791,590]<br><u>18,690,090,670</u> | [18,907,409,174]<br><u>18,790,627,454</u> |

Sec. 17. Section 6 of public act 17-2 of the June special session is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The following sums are appropriated from the INSURANCE FUND for the annual periods indicated for the purposes described.

|                                    | 2017-2018 | 2018-2019 |
|------------------------------------|-----------|-----------|
| GENERAL GOVERNMENT                 |           |           |
|                                    |           |           |
| OFFICE OF POLICY AND<br>MANAGEMENT |           |           |
| Personal Services                  | 313,882   | 313,882   |
| Other Expenses                     | 6,012     | 6,012     |
| Fringe Benefits                    | 200,882   | 200,882   |

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|   |                  |                  |
|---|------------------|------------------|
| AGENCY TOTAL  | 520,776          | 520,776          |
|   |                  |                  |
| REGULATION AND PROTECTION                             |                  |                  |
|   |                  |                  |
| INSURANCE DEPARTMENT                                  |                  |                  |
| Personal Services                                     | 13,942,472       | 13,796,046       |
| Other Expenses  | 1,727,807        | 1,727,807        |
| Equipment   | 52,500           | 52,500           |
| Fringe Benefits                                       | 11,055,498       | 10,938,946       |
| Indirect Overhead                                     | 466,740          | 466,740          |
| AGENCY TOTAL  | 27,245,017       | 26,982,039       |
|   |                  |                  |
| OFFICE OF THE HEALTHCARE<br>ADVOCATE                  |                  |                  |
| Personal Services                                     | 2,097,714        | 1,683,355        |
| Other Expenses  | 2,691,767        | 305,000          |
| Equipment   | 15,000           | 15,000           |
| Fringe Benefits                                       | 1,644,481        | 1,329,851        |
| Indirect Overhead                                     | 106,630          | 106,630          |
| AGENCY TOTAL  | 6,555,592        | 3,439,836        |
|   |                  |                  |
| CONSERVATION AND<br>DEVELOPMENT                       |                  |                  |
|   |                  |                  |
| DEPARTMENT OF HOUSING                                 |                  |                  |
| Crumbling Foundations                                 | 110,844          | 110,844          |
|   |                  |                  |
| HEALTH  |                  |                  |
|   |                  |                  |
| DEPARTMENT OF PUBLIC HEALTH                           |                  |                  |
| Needle and Syringe Exchange Program                   | 459,416          | 459,416          |
| <u>Children's Health Initiatives</u>                  | <u>2,935,769</u> | <u>2,935,769</u> |
| AIDS Services   | 4,975,686        | 4,975,686        |
| Breast and Cervical Cancer Detection<br>and Treatment | 2,150,565        | 2,150,565        |
| Immunization Services                                 | 43,216,992       | 48,018,326       |
| X-Ray Screening and Tuberculosis<br>Care              | 965,148          | 965,148          |

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|  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| Venereal Disease Control                                 | 197,171                           | 197,171                           |
| AGENCY TOTAL   | [51,964,978]<br><u>54,900,747</u> | [56,766,312]<br><u>59,702,081</u> |
|  |                                   |                                   |
| OFFICE OF HEALTH STRATEGY                                |                                   |                                   |
| Personal Services  |                                   | 560,785                           |
| Other Expenses   |                                   | 2,386,767                         |
| Fringe Benefits  |                                   | 430,912                           |
| AGENCY TOTAL   |                                   | 3,378,464                         |
|  |                                   |                                   |
| DEPARTMENT OF MENTAL<br>HEALTH AND ADDICTION<br>SERVICES |                                   |                                   |
| Managed Service System                                   | 408,924                           | 408,924                           |
|  |                                   |                                   |
| HUMAN SERVICES   |                                   |                                   |
|  |                                   |                                   |
| DEPARTMENT OF SOCIAL<br>SERVICES                         |                                   |                                   |
| Fall Prevention  | 376,023                           | 376,023                           |
|  |                                   |                                   |
| NON-FUNCTIONAL   |                                   |                                   |
|  |                                   |                                   |
| STATE COMPTROLLER -<br>MISCELLANEOUS                     |                                   |                                   |
| Nonfunctional - Change to Accruals                       | 116,945                           | 116,945                           |
|  |                                   |                                   |
| TOTAL - INSURANCE FUND                                   | [87,299,099]<br><u>90,234,868</u> | [92,100,163]<br><u>95,035,932</u> |

Sec. 18. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by sections 342 and 641 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(B) There shall be subtracted therefrom (i) to the extent properly includable in gross income for federal income tax purposes, any

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income with respect to which taxation by any state is prohibited by federal law, (ii) to the extent allowable under section 12-718, exempt dividends paid by a regulated investment company, (iii) the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia, to the extent properly includable in gross income for federal income tax purposes, (iv) to the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad retirement benefits, (v) to the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code, as provided by Section 101 of the Job Creation and Worker Assistance Act of 2002, for property placed in service after December 31, 2001, but prior to September 10, 2004, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income for a taxable year ending after December 31, 2001, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years, (vi) to the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, (vii) to the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized, (viii) any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest

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on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual, (ix) ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual, (x) (I) for taxable years commencing prior to January 1, [2018] 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; (II) for taxable years commencing prior to January 1, [2018] 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing

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jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code; (III) for the taxable year commencing January 1, [2018] 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and (IV) for the taxable year commencing January 1, [2018] 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is one hundred thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted

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gross income for such taxable year is one hundred thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code, (xi) to the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746, (xii) to the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state, (xiii) to the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state, (xiv) to the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim, (xv) to the extent properly includable in gross income for federal income tax purposes of an account holder, as defined in section 31-51ww, interest earned on funds deposited in the individual development account, as defined in section 31-51ww, of such account holder, (xvi) to the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive, (xvii) to the extent properly includable in gross income for federal income tax purposes, any income received from the United States government as retirement pay for a retired member of (I) the

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Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code, (xviii) to the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year, (xix) to the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made, (xx) to the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, January 1, 2017, and January 1, 2018, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2019, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or the percentage, if applicable, pursuant to clause (xxi) of this subparagraph, (xxi) to the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvii) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is



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less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, (IV) for the taxable year commencing January 1, 2022, fifty-six per cent of any pension or annuity income, (V) for the taxable year commencing January 1, 2023, seventy per cent of any pension or annuity income, (VI) for the taxable year commencing January 1, 2024, eighty-four per cent of any pension or annuity income, and (VII) for the taxable year commencing January 1, 2025, any pension or annuity income, (xxii) the amount of lost wages and medical, travel and housing expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017, and (xxiii) to the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 337 and 343 of [this act] public act 17-2 of the June special session.

Sec. 19. Subsection (d) of section 12-218g of the general statutes, as amended by section 661 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) For the thirty-year period beginning with the combined group's

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first income year that begins in [2018] 2021, a combined group shall be entitled to a deduction from combined group net income equal to one-thirtieth of the amount necessary to offset the increase in the net deferred tax liability or decrease in the net deferred tax asset, or the aggregate change thereof, from a net deferred tax asset to a net deferred tax liability, as computed in accordance with generally accepted accounting principles, that would have resulted from the imposition of the unitary reporting requirements under sections 12-218e and 12-218f, but for the deduction provided under this section. Such increase in the net deferred tax liability or decrease in the net deferred tax asset or the aggregate change thereof shall be computed based on the change that would have resulted from the imposition of the unitary reporting requirements under sections 12-218e and 12-218f as of January 1, 2016, but for the deduction provided under this section.

Sec. 20. (*Effective from passage*) Notwithstanding the provisions of section 12-142 of the general statutes, title 7 or 10 of the general statutes, chapters 170 and 204 of the general statutes, any special act, any municipal charter or any home rule ordinance, if a municipality or regional board of education has adopted a budget or levied taxes for the fiscal year ending June 30, 2018, prior to the adoption of the state budget for said fiscal year and such municipality or regional board of education receives, pursuant to such adopted state budget, an amount in excess of one hundred thousand dollars of state aid more than the amount projected in the municipality's or regional board of education's adopted budget, such municipality or regional board of education may, by vote of its legislative body or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen, (1) amend its budget, (2) not later than February 1, 2018, adjust the tax levy and the amount of any remaining installments of such taxes, and (3) not later than February 1, 2018, issue tax refunds or rebates for any excess taxes paid pursuant to such budget. The amendment to such

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budget shall be in an amount not exceeding the increase in state aid to the municipality or regional board of education.

Sec. 21. Subsections (a) to (c), inclusive, of section 4-66l of the general statutes, as amended by section 700 of public act 17-2 of the June special session, are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For the purposes of this section:

(1) "FY 15 mill rate" means the mill rate a municipality [uses] used during the fiscal year ending June 30, 2015;

(2) "Mill rate" means, unless otherwise specified, the mill rate a municipality uses to calculate tax bills for motor vehicles;

(3) "Municipality" means any town, city, consolidated town and city or consolidated town and borough. "Municipality" includes a district for the purposes of subdivision (1) of subsection (d) of this section;

(4) "Municipal spending" means:

$$\frac{\text{Municipal spending for the fiscal year prior to the current fiscal year} - \text{Municipal spending for the fiscal year two years prior to the current year}}{\text{Municipal spending for the fiscal year two years prior to the current year}} \times 100 = \text{Municipal spending};$$

(5) "Per capita distribution" means:

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Municipal population  
\_\_\_\_\_ X Sales tax revenue = Per capita distribution;  
Total state population

(6) "Pro rata distribution" means:

Municipal weighted  
mill rate calculation  
\_\_\_\_\_ X Sales tax revenue = Pro rata distribution;  
Sum of all municipal  
weighted mill rate  
calculations combined

(7) "Regional council of governments" means any such council organized under the provisions of sections 4-124i to 4-124p, inclusive;

(8) "Municipal population" means the number of persons in a municipality according to the most recent estimate of the Department of Public Health;

(9) "Total state population" means the number of persons in this state according to the most recent estimate published by the Department of Public Health;

(10) "Weighted mill rate" means a municipality's FY 15 mill rate divided by the average of all municipalities' FY 15 mill rate;

(11) "Weighted mill rate calculation" means per capita distribution multiplied by a municipality's weighted mill rate;

(12) "Sales tax revenue" means the moneys in the account remaining for distribution pursuant to subdivision [(6)] (7) of subsection (b) of this section;

(13) "District" means any district, as defined in section 7-324; and

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(14) "Secretary" means the Secretary of the Office of Policy and Management.

(b) There is established an account to be known as the "municipal revenue sharing account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. The secretary shall set aside and ensure availability of moneys in the account in the following order of priority and shall transfer or disburse such moneys as follows:

(1) Ten million dollars for the fiscal year ending June 30, 2016, shall be transferred not later than April fifteenth for the purposes of grants under section 10-262h;

(2) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, moneys sufficient to make motor vehicle property tax grants payable to municipalities pursuant to subsection (c) of this section shall be expended not later than August first annually by the secretary;

(3) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, moneys sufficient to make the grants payable from the select payment in lieu of taxes grant account established pursuant to section 12-18c shall annually be transferred to the select payment in lieu of taxes account in the Office of Policy and Management;

(4) For the fiscal years ending June 30, 2018, and June 30, 2019, moneys sufficient to make the municipal revenue sharing grants payable to municipalities pursuant to subdivision (2) of subsection (d) of this section shall be expended not later than October thirty-first annually by the secretary;

(5) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, seven million dollars shall be expended for the purposes of

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the regional services grants pursuant to subsection (e) of this section to the regional councils of governments; [and]

(6) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, moneys may be expended for the purpose of supplemental motor vehicle property tax grants pursuant to subsection (c) of this section; and

[[6)] (7) For the fiscal year ending June 30, 2020, and each fiscal year thereafter, moneys in the account remaining shall be expended annually by the secretary for the purposes of the municipal revenue sharing grants established pursuant to subsection (f) of this section. Any such moneys deposited in the account for municipal revenue sharing grants between October first and June thirtieth shall be distributed to municipalities on the following October first and any such moneys deposited in the account between July first and September thirtieth shall be distributed to municipalities on the following January thirty-first. Any municipality may apply to the Office of Policy and Management on or after July first for early disbursement of a portion of such grant. The Office of Policy and Management may approve such an application if it finds that early disbursement is required in order for a municipality to meet its cash flow needs. No early disbursement approved by said office may be issued later than September thirtieth.

(c) (1) For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would

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have been if the mill rate on motor vehicles for said assessment year was 39 mills.

(2) For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 45 mills.

(3) For the fiscal year ending June 30, 2018, and each fiscal year thereafter, any municipality that imposed a mill rate for real and personal property of more than 39 mills during the fiscal year ending June 30, 2017, and effected a revaluation of real property for the 2014 or 2015 assessment year that resulted in an increase of 4 or more mills over the prior mill rate, may apply to the Office of Policy and Management for a supplemental motor vehicle property tax grant. The Office of Policy and Management may approve such an application, within available funds, provided such supplemental grant does not reduce any amount payable to any other municipality.

[(3)] (4) Not later than fifteen calendar days after receiving a property tax grant pursuant to this section, the municipality shall disburse to any district located within the municipality the amount of any such property tax grant that is attributable to the district.

Sec. 22. Section 221 of public act 17-2 of the June special session is amended by adding subsection (c) as follows (*Effective from passage*):

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(NEW) (c) Subsections (a) and (b) of this section shall not be construed to apply to (1) investments by the State Treasurer or administered by the State Treasurer or any contracts related thereto, or (2) bonds, notes, evidences of indebtedness or other direct or contingent obligations of the state for borrowed money or any contracts related thereto.

Sec. 23. Section 12-170d of the general statutes, as amended by section 563 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Beginning with the calendar year 1973 and for each calendar year thereafter any renter of real property, or of a mobile manufactured home, as defined in section 12-63a, which such renter occupies as his or her home, who meets the qualifications set forth in this section, shall be entitled to receive in the following year in the form of direct payment from the [municipality in which such real property or mobile manufactured home is located] state, a grant in refund of utility and rent bills actually paid by or for such renter on such real property or mobile manufactured home to the extent set forth in section 12-170e, as amended by this act. Such grant by the [municipality] state shall be made upon receipt by the state of a certificate of grant with a copy of the application therefor attached, as provided in [accordance with] section 12-170f, as amended by this act, provided such application shall be made within one year from the close of the calendar year for which the grant is requested. If the rental quarters are occupied by more than one person, it shall be assumed for the purposes of this section and sections 12-170e, as amended by this act, and 12-170f, as amended by this act, that each of such persons pays his or her proportionate share of the rental and utility expenses levied thereon and grants shall be calculated on that portion of utility and rent bills paid that are applicable to the person making application for grant under said sections. For purposes of this section and sections



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12-170e, as amended by this act, and 12-170f, as amended by this act, a married couple shall constitute one tenant, and a resident of cooperative housing shall be a renter. To qualify for such payment by the [municipality] state, the renter shall meet qualification requirements in accordance with each of the following subdivisions: (1) (A) At the close of the calendar year for which a grant is claimed be sixty-five years of age or over, or his or her spouse who is residing with such renter shall be sixty-five years of age or over, at the close of such year, or be fifty years of age or over and the surviving spouse of a renter who at the time of his or her death had qualified and was entitled to tax relief under this chapter, provided such spouse was domiciled with such renter at the time of his or her death, or (B) at the close of the calendar year for which a grant is claimed be under age sixty-five and eligible in accordance with applicable federal regulations, to receive permanent total disability benefits under Social Security, or if such renter has not been engaged in employment covered by Social Security and accordingly has not qualified for Social Security benefits but has become qualified for permanent total disability benefits under any federal, state or local government retirement or disability plan, including the Railroad Retirement Act and any government-related teacher's retirement plan, determined by the Secretary of the Office of Policy and Management to contain requirements in respect to qualification for such permanent total disability benefits which are comparable to such requirements under Social Security; (2) shall reside within this state and shall have resided within this state for at least one year or such renter's spouse who is domiciled with such renter shall have resided within this state for at least one year and shall reside within this state at the time of filing the claim and shall have resided within this state for the period for which claim is made; (3) shall have taxable and nontaxable income, the total of which shall hereinafter be called "qualifying income", during the calendar year preceding the filing of such renter's claim in an amount of not more than twenty thousand dollars, jointly with spouse, if

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married, and not more than sixteen thousand two hundred dollars if unmarried, provided such maximum amounts of qualifying income shall be subject to adjustment in accordance with subdivision (2) of subsection (a) of section 12-170e, as amended by this act, and provided the amount of any Medicaid payments made on behalf of the renter or the spouse of the renter shall not constitute income; and (4) shall not have received financial aid or subsidy from federal, state, county or municipal funds, excluding Social Security receipts, emergency energy assistance under any state program, emergency energy assistance under any federal program, emergency energy assistance under any local program, payments received under the federal Supplemental Security Income Program, payments derived from previous employment, veterans and veterans disability benefits and subsidized housing accommodations, during the calendar year for which a grant is claimed, for payment, directly or indirectly, of rent, electricity, gas, water and fuel applicable to the rented residence. Notwithstanding the provisions of subdivision (4) of this subsection, a renter who receives cash assistance from the Department of Social Services in the calendar year prior to that in which such renter files an application for a grant may be entitled to receive such grant provided the amount of the cash assistance received shall be deducted from the amount of such grant and the difference between the amount of the cash assistance and the amount of the grant is equal to or greater than ten dollars. Funds attributable to such reductions shall be transferred annually from the appropriation to the Office of Policy and Management, for tax relief for elderly renters, to the Department of Social Services, to the appropriate accounts, following the issuance of such grants. Notwithstanding the provisions of subsection (b) of section 12-170aa, the owner of a mobile manufactured home may elect to receive benefits under section 12-170e, as amended by this act, in lieu of benefits under said section 12-170aa.

(b) For purposes of determining qualifying income under subsection

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(a) of this section with respect to a married renter who submits an application for a grant in accordance with sections 12-170d to 12-170g, inclusive, as amended by this act, the Social Security income of the spouse of such renter shall not be included in the qualifying income of such renter, for purposes of determining eligibility for benefits under said sections, if such spouse is a resident of a health care or nursing home facility in this state receiving payment related to such spouse under the Title XIX Medicaid program. An applicant who is legally separated pursuant to the provisions of section 46b-40, as of the thirty-first day of December preceding the date on which such person files an application for a grant in accordance with sections 12-170d to 12-170g, inclusive, as amended by this act, may apply as an unmarried person and shall be regarded as such for purposes of determining qualifying income under subsection (a) of this section.

Sec. 24. Section 12-170e of the general statutes, as amended by section 564 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) A renter qualifying under section 12-170d, as amended by this act, shall be entitled to a payment from the [municipality] state equivalent to the lesser of the maximum amount in the following table or thirty-five per cent of the sum of all charges for rents, electricity, gas, water and fuel actually paid during the preceding calendar year less five per cent of the qualifying income received during the preceding calendar year.

| Qualifying Income |               | Grant<br>Married |         |
|-------------------|---------------|------------------|---------|
| Over              | Not Exceeding | Maximum          | Minimum |
| \$ 0              | \$ 8,100      | \$ 900           | \$ 400  |
| 8,100             | 10,800        | 700              | 300     |
| 10,800            | 13,500        | 500              | 200     |

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|        |        |      |      |
|--------|--------|------|------|
| 13,500 | 16,200 | 250  | 100  |
| 16,200 | 20,000 | 150  | 50   |
| 20,000 |        | None | None |

| Qualifying Income |               | Grant<br>Unmarried |         |
|-------------------|---------------|--------------------|---------|
| Over              | Not Exceeding | Maximum            | Minimum |
| \$ 0              | \$ 8,100      | \$ 700             | \$ 300  |
| 8,100             | 10,800        | 500                | 200     |
| 10,800            | 13,500        | 250                | 100     |
| 13,500            | 16,200        | 150                | 50      |
| 16,200            |               | None               | None    |

(2) The amounts of income at each level of qualifying income, as provided in the table in subdivision (1) of this subsection, shall be adjusted annually in a uniform manner to reflect the annual inflation adjustment in Social Security income. Each such adjustment of qualifying income shall be determined to the nearest one hundred dollars and shall be applicable in determining the amount of grant allowed under this subsection with respect to charges for rents, electricity, gas, water and fuel actually paid during the preceding calendar year. Each such adjustment of qualifying income shall be prepared by the Commissioner of Housing in relation to the annual inflation adjustment in Social Security, if any, becoming effective at any time during the twelve-month period immediately preceding the first day of October each year and shall be distributed to the assessors in each municipality not later than the thirty-first day of December next following.

(b) A person who qualifies at the close of any calendar year, who ceased to be a renter during such year, or a person who first became a qualified renter during the calendar year shall apportion his qualifying income on the basis of the number of months that he was a renter and

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the income so apportioned to the months during which he was a renter shall constitute his qualifying income for purposes of calculating the amount of grant under subdivision (a) of this section provided the maximum grant shall be a fraction of the amount shown in such table, the numerator of which shall be the number of months of the year that he was a renter and the denominator the numeral twelve.

Sec. 25. Section 12-170f of the general statutes, as amended by section 1 of public act 17-222 and section 565 of public act 17-2 of the June special session, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any renter, believing himself or herself to be entitled to a grant under section 12-170d, as amended by this act, for any calendar year, shall apply for such grant to the assessor of the municipality in which the renter resides or to the duly authorized agent of such assessor or municipality on or after April first and not later than October first of each year with respect to such grant for the calendar year preceding each such year, on a form prescribed and furnished by the Secretary of the Office of Policy and Management to the assessor. A renter may apply to the [assessor or agent] secretary prior to December fifteenth of the claim year for an extension of the application period. The [assessor or agent] secretary may grant such extension in the case of extenuating circumstance due to illness or incapacitation as evidenced by a certificate signed by a physician or an advanced practice registered nurse to that extent, or if the [assessor or agent] secretary determines there is good cause for doing so. A renter making [an] such application [for a grant under this section] shall present to such assessor or agent, in substantiation of the renter's application, a copy of the renter's federal income tax return, and if not required to file a federal income tax return, such other evidence of qualifying income, receipts for money received, or cancelled checks, or copies thereof, and any other evidence the assessor or such agent may require. When the assessor or

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agent is satisfied that the applying renter is entitled to a grant, such assessor or agent shall issue a certificate of grant in such form as the [assessor] secretary may prescribe and supply showing the amount of the grant due.

(b) The assessor or agent shall forward the application to the secretary not later than the last day of the month following the month in which the renter has made application. Any municipality that neglects to transmit to the secretary the application as required by this section shall forfeit two hundred fifty dollars to the state, provided the secretary may waive such forfeiture in accordance with procedures and standards adopted by regulation in accordance with chapter 54. The certificate of grant shall be delivered to the renter and the assessor or agent shall keep the original copy of such certificate and application. [The assessor or agent shall]

(c) After the secretary's review of each claim, pursuant to section 12-120b, and verification of the amount of the grant, the secretary shall make a determination of any per cent reduction to all claims that will be necessary to keep within available appropriations and, not later than October fifteenth of each year, prepare a list of certificates approved for payment, and shall thereafter supplement such list monthly. Such list and any supplements thereto shall be approved for payment by the [municipality not later than one hundred twenty days after such certificates of grant are issued by the assessor or agent] secretary and shall be forwarded by the secretary to the Comptroller, along with a notice of any per cent reduction in claim amounts, and the [municipality shall] Comptroller shall, not later than fifteen days following [, remit payment] receipt of such list, draw an order on the Treasurer in favor of each person on such list and on supplements to such list in the amount of such person's claim, [.] minus any per cent reduction noticed by the secretary pursuant to this subsection, and the Treasurer shall pay such amount to such person, not later than fifteen

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days following receipt of such order.

(d) The secretary shall (1) select one or more grants of state financial assistance provided to a municipality pursuant to any provision of the general statutes to withhold or reduce for purposes of this section, (2) not later than June 30, 2018, and each fiscal year thereafter, withhold or reduce such state financial assistance provided to a municipality in an amount equal to fifty per cent of any grant payments made pursuant to this section to renters in such municipality for the most recent application period, provided the aggregate amount withheld or reduced shall not exceed two hundred fifty thousand dollars per municipality for any fiscal year, and (3) transfer such amounts withheld or reduced to the Office of Policy and Management for purposes of making grant payments pursuant to this section. For purposes of this subsection "state financial assistance" means any grant funded by an appropriation authorized by public or special act of the General Assembly, but excluding any grant or loan financed from the proceeds of the state's general obligation bond issued pursuant to any authorization, allocation or approval of the State Bond Commission.

(e) If the [assessor or agent] Secretary of the Office of Policy and Management determines a renter was overpaid for such grant, the amount of any subsequent grant paid to the renter under section 12-170d, as amended by this act, after such determination shall be reduced by the amount of overpayment until the overpayment has been recouped. Any claimant aggrieved by the results of the [assessor or agent's] secretary's review or determination shall have the rights of appeal as set forth in section [12-170g] 12-120b. Applications filed under this section shall not be open for public inspection. Any person who, for the purpose of obtaining a grant under section 12-170d, as amended by this act, wilfully fails to disclose all matters related thereto or with intent to defraud makes false statement shall be fined not more than five hundred dollars.

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[(b)] (f) Any municipality may provide, upon approval by its legislative body, that the duties and responsibilities of the assessor, as required under this section and section 12-170g, shall be transferred to (1) the officer in such municipality having responsibility for the administration of social services, or (2) the coordinator or agent for the elderly in such municipality.

Sec. 26. (*Effective from passage*) Notwithstanding the deadline provided in section 12-170f of the general statutes, as amended by this act, the Secretary of the Office of Policy and Management shall, not later than November 30, 2017, prepare a list of certificates of grant approved for payment for the 2016 calendar year pursuant to section 12-170f of the general statutes, as amended by this act, minus any per cent reduction noticed by the secretary, and shall supplement such list monthly. Such list and any supplements thereto, including any notice of reduction, shall be approved for payment by the secretary, forwarded by the secretary to the Comptroller and paid by the Treasurer in the manner described in section 12-170f of the general statutes, as amended by this act.

Sec. 27. Subsections (e) to (j), inclusive, of section 9-705 of the general statutes, as amended by sections 271, 272 and 273 of public act 17-2 of the June special session, are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(e) (1) The qualified candidate committee of a major party candidate for the office of state senator who has a primary for nomination to said office shall be eligible to receive a grant from the fund for the primary campaign in the amount of thirty-five thousand dollars, provided (A) if the percentage of the electors in the district served by said office who are enrolled in said major party exceeds the percentage of the electors in said district who are enrolled in another major party by at least twenty percentage points, the amount of said grant shall be seventy-five thousand dollars, and (B) in the case of a primary held in 2010, or



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thereafter, said amounts shall be adjusted under subsection (h) of this section. For the purposes of subparagraph (A) of this subdivision, the number of enrolled members of a major party and the number of electors in a district shall be determined by the latest enrollment and voter registration records in the office of the Secretary of the State submitted in accordance with the provisions of section 9-65. The names of electors on the inactive registry list compiled under section 9-35 shall not be counted for such purposes.

(2) ~~[The]~~ (A) In the case of a state election, the qualified candidate committee of a candidate for the office of state senator who has been nominated, or has qualified to appear on the election ballot in accordance with subpart C of part III of chapter 153, shall be eligible to receive a grant from the fund for the general election campaign in the amount of eighty-five thousand dollars, provided ~~[(A)]~~ (i) any such committee shall receive seventy-five per cent of said amount if such committee applies for such grant, in accordance with section 9-706, on or after the seventieth day but before the fifty-sixth day preceding the election, ~~[(B)]~~ (ii) any such committee shall receive sixty-five per cent of said amount if such committee so applies on or after the fifty-sixth day but before the forty-second day preceding the election, ~~[(C)]~~ (iii) any such committee shall receive fifty-five per cent of said amount if such committee so applies on or after the forty-second day but before the twenty-eighth day preceding the election, ~~[(D)]~~ (iv) any such committee shall receive forty per cent of said amount if such committee so applies on or after the twenty-eighth day preceding the election, and ~~[(E)]~~ (v) in the case of an election held in 2010, or thereafter except for in 2018, said amount shall be adjusted under subsection (h) of this section.

(B) In the case of a special election, the qualified candidate committee of a major party candidate for the office of state senator who has been nominated shall be eligible to receive a grant from the

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fund for the general election campaign in the amount specified in subparagraph (A)(i) of this subdivision, provided in the case of an election held in 2010, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(3) (A) In the case of an adjourned primary pursuant to section 9-446, a qualified candidate committee of a major party candidate for the office of state senator who appears on the ballot for such adjourned primary shall be eligible to receive a grant from the fund for the adjourned primary in an amount of fifteen thousand dollars, provided in the case of a primary held in 2016, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(B) In the case of an adjourned election pursuant to section 9-332, a qualified candidate committee of a candidate for the office of state senator who has been nominated, or has qualified to appear on the election ballot in accordance with subpart C of part III of chapter 153, and who appears on the ballot for such adjourned election shall be eligible to receive a grant from the fund for the general election campaign in the amount of fifteen thousand dollars, provided in the case of an election held in 2016, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(f) (1) The qualified candidate committee of a major party candidate for the office of state representative who has a primary for nomination to said office shall be eligible to receive a grant from the fund for the primary campaign in the amount of ten thousand dollars, provided (A) if the percentage of the electors in the district served by said office who are enrolled in said major party exceeds the percentage of the electors in said district who are enrolled in another major party by at least twenty percentage points, the amount of said grant shall be twenty-five thousand dollars, and (B) in the case of a primary held in 2010, or thereafter, said amounts shall be adjusted under subsection (h) of this section. For the purposes of subparagraph (A) of this subdivision, the

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number of enrolled members of a major party and the number of electors in a district shall be determined by the latest enrollment and voter registration records in the office of the Secretary of the State submitted in accordance with the provisions of section 9-65. The names of electors on the inactive registry list compiled under section 9-35 shall not be counted for such purposes.

(2) [The] (A) In the case of a state election, the qualified candidate committee of a candidate for the office of state representative who has been nominated, or has qualified to appear on the election ballot in accordance with subpart C of part III of chapter 153, shall be eligible to receive a grant from the fund for the general election campaign in the amount of twenty-five thousand dollars, provided [(A)] (i) any such committee shall receive seventy-five per cent of said amount if such committee applies for such grant, in accordance with section 9-706, on or after the seventieth day but before the fifty-sixth day preceding the election, [(B)] (ii) any such committee shall receive sixty-five per cent of said amount if such committee so applies on or after the fifty-sixth day but before the forty-second day preceding the election, [(C)] (iii) any such committee shall receive fifty-five per cent of said amount if such committee so applies on or after the forty-second day but before the twenty-eighth day preceding the election, [(D)] (iv) any such committee shall receive forty per cent of said amount if such committee so applies on or after the twenty-eighth day preceding the election, and [(E)] (v) in the case of an election held in 2010, or thereafter except for in 2018, said amount shall be adjusted under subsection (h) of this section.

(B) In the case of a special election, the qualified candidate committee of a major party candidate for the office of state representative who has been nominated shall be eligible to receive a grant from the fund for the general election campaign in the amount specified in subparagraph (A)(i) of this subdivision, provided in the

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case of an election held in 2010, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(3) (A) In the case of an adjourned primary pursuant to section 9-446, a qualified candidate committee of a major party candidate for the office of state representative who appears on the ballot for such adjourned primary shall be eligible to receive a grant from the fund for the adjourned primary in an amount of five thousand dollars, provided in the case of a primary held in 2016, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(B) In the case of an adjourned election pursuant to section 9-332, a qualified candidate committee of a candidate for the office of state representative who has been nominated, or has qualified to appear on the election ballot in accordance with subpart C of part III of chapter 153, and who appears on the ballot for such adjourned election shall be eligible to receive a grant from the fund for the general election campaign in the amount of five thousand dollars, provided in the case of an election held in 2016, or thereafter, said amount shall be adjusted under subsection (h) of this section.

(g) (1) Notwithstanding the provisions of subsections (e) and (f) of this section, the qualified candidate committee of an eligible minor party candidate for the office of state senator or state representative shall be eligible to receive a grant from the fund for the general election campaign if the candidate of the same minor party for the same office at the last preceding regular election received at least ten per cent of the whole number of votes cast for all candidates for said office at said election. [The]

(A) In the case of a state election, the amount of the grant shall be one-third of the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f)

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of this section for a candidate for the same office, provided [(A)] (i) if the candidate of the same minor party for the same office at the last preceding regular election received at least fifteen per cent of the whole number of votes cast for all candidates for said office at said election, the amount of the grant shall be two-thirds of the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f) of this section for a candidate for the same office, [(B)] (ii) if the candidate of the same minor party for the same office at the last preceding regular election received at least twenty per cent of the whole number of votes cast for all candidates for said office at said election, the amount of the grant shall be the same as the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f) of this section for a candidate for the same office, and [(C)] (iii) in the case of an election held in 2010, or thereafter, said amounts shall be adjusted under subsection (h) of this section.

(B) In the case of a special election, the amount of the grant shall be one-third of the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, provided (i) if the candidate of the same minor party for the same office at the last preceding regular election received at least fifteen per cent of the whole number of votes cast for all candidates for said office at said election, the amount of the grant shall be two-thirds of the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, (ii) if the candidate of the same minor party for the same office at the last preceding regular election received at least twenty per cent of the

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whole number of votes cast for all candidates for said office at said election, the amount of the grant shall be the same as the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, and (iii) in the case of an election held in 2010, or thereafter, said amounts shall be adjusted under subsection (h) of this section.

(2) Notwithstanding the provisions of subsections (e) and (f) of this section, the qualified candidate committee of an eligible petitioning party candidate for the office of state senator or state representative shall be eligible to receive a grant from the fund for the general election campaign if said candidate's nominating petition has been signed by a number of qualified electors equal to at least ten per cent of the whole number of votes cast for the same office at the last preceding regular election. [The]

(A) In the case of a state election, the amount of the grant shall be one-third of the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f) of this section for a candidate for the same office, provided (A) if said candidate's nominating petition has been signed by a number of qualified electors equal to at least fifteen per cent of the whole number of votes cast for the same office at the last preceding regular election, the amount of the grant shall be two-thirds of the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f) of this section for a candidate for the same office, (B) if said candidate's nominating petition has been signed by a number of qualified electors equal to at least twenty per cent of the whole number of votes cast for the same

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office at the last preceding regular election, the amount of the grant shall be the same as the amount of the general election campaign grant under [subsection (e) or] subparagraph (A) of subdivision (2) of subsection (e) of this section or subparagraph (A) of subdivision (2) of subsection (f) of this section for a candidate for the same office, and (C) in the case of an election held in 2010, or thereafter, said amounts shall be adjusted under subsection (h) of this section.

(B) In the case of a special election, the amount of the grant shall be one-third of the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, provided (i) if said candidate's nominating petition has been signed by a number of qualified electors equal to at least fifteen per cent of the whole number of votes cast for the same office at the last preceding regular election, the amount of the grant shall be two-thirds of the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, (ii) if said candidate's nominating petition has been signed by a number of qualified electors equal to at least twenty per cent of the whole number of votes cast for the same office at the last preceding regular election, the amount of the grant shall be the same as the amount of the general election campaign grant under subparagraph (B) of subdivision (2) of subsection (e) of this section or subparagraph (B) of subdivision (2) of subsection (f) of this section for a candidate for the same office, and (C) in the case of an election held in 2010, or thereafter, said amounts shall be adjusted under subsection (h) of this section.

(3) In addition to the provisions of subdivisions (1) and (2) of this subsection, the qualified candidate committee of an eligible petitioning party candidate and the qualified candidate committee of an eligible

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minor party candidate for the office of state senator or state representative shall be eligible to receive a supplemental grant from the fund after the general election if the treasurer of such candidate committee reports a deficit in the first statement filed after the general election, pursuant to section 9-608, and such candidate received a greater percentage of the whole number of votes cast for all candidates for said office at said election than the percentage of votes utilized by such candidate to obtain a general election campaign grant described in subdivision (1) or (2) of this subsection. The amount of such supplemental grant shall be calculated as follows:

(A) In the case of any such candidate who receives more than ten per cent, but less than fifteen per cent, of the whole number of votes cast for all candidates for said office at said election, the grant shall be the product of (i) a fraction in which the numerator is the difference between the percentage of such whole number of votes received by such candidate and ten per cent and the denominator is ten, and (ii) two-thirds of the amount of the general election campaign grant under subsection (e) or (f) of this section for a major party candidate for the same office.

(B) In the case of any such candidate who receives more than fifteen per cent, but less than twenty per cent, of the whole number of votes cast for all candidates for said office at said election, the grant shall be the product of (i) a fraction in which the numerator is the difference between the percentage of such whole number of votes received by such candidate and fifteen per cent and the denominator is five, and (ii) one-third of the amount of the general election campaign grant under subsection (e) or (f) of this section for a major party candidate for the same office.

(C) The sum of the general election campaign grant received by any such candidate and a supplemental grant under this subdivision shall not exceed one hundred per cent of the amount of the general election



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campaign grant under subsection (e) or (f) of this section for a major party candidate for the same office.

(h) For elections held in 2010, and thereafter except for in 2018, the amount of the grants in subsections (e), (f) and (g) of this section shall be adjusted by the State Elections Enforcement Commission not later than January 15, 2010, and biennially thereafter except for in 2018, in accordance with any change in the consumer price index for all urban consumers as published by the United States Department of Labor, Bureau of Labor Statistics, during the period beginning on January 1, 2008, and ending on December thirty-first in the year preceding the year in which said adjustment is to be made.

[(i) Notwithstanding the provisions of subsections (e), (f) and (g) of this section, in the case of a special election for the office of state senator or state representative, the amount of the grant for a general election campaign shall be seventy-five per cent of the amount authorized under the applicable said subsection (e), (f) or (g).]

[(j)] (i) Notwithstanding the provisions of subsections (a) to [(i)] (h), inclusive, of this section:

(1) The initial grant that a qualified candidate committee for a candidate is eligible to receive under subsections (a) to [(i)] (h), inclusive, of this section shall be reduced by the amount of any personal funds that the candidate provides for the candidate's campaign for nomination or election pursuant to subsection (c) of section 9-710;

(2) If a participating candidate is nominated at a primary and does not expend the entire grant for the primary campaign authorized under subsection (a), (b), (e) or (f) of this section, the amount of the grant for the general election campaign shall be reduced by the total amount of any such unexpended primary campaign grant and

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moneys;

(3) If a participating candidate who is nominated for election does not have any opponent in the general election campaign, the amount of the general election campaign grant for which the qualified candidate committee for said candidate shall be eligible shall be thirty per cent of the applicable amount set forth in subsections (a) to [(i)] (h), inclusive, of this section. For purposes of this subdivision, a participating candidate shall be deemed to have an opponent if (A) a major party has properly endorsed any other candidate and made the requisite filing with the Secretary of the State within the time specified in section 9-391 or 9-400, as applicable, (B) any candidate of any other major party has received not less than fifteen per cent of the vote of convention delegates and has complied with the filing requirements set forth in section 9-400, or (C) any candidate of any other major party has circulated a petition and obtained the required number of signatures for filing a candidacy for nomination and has either qualified for the primary or been deemed the party's nominee;

(4) If the only opponent or opponents of a participating candidate who is nominated for election to an office are eligible minor party candidates or eligible petitioning party candidates and no such eligible minor party candidate's or eligible petitioning party candidate's candidate committee has received a total amount of contributions of any type that is equal to or greater than the amount of the qualifying contributions that a candidate for such office is required to receive under section 9-704 to be eligible for grants from the Citizens' Election Fund, the amount of the general election campaign grant for such participating candidate shall be sixty per cent of the applicable amount set forth in this section; and

(5) The amount of the primary grant or general election campaign grant for a qualified candidate committee shall be reduced, pursuant to the provisions of this subdivision, if such candidate committee has

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control and custody over lawn signs from any prior election or primary in the following applicable amount: (A) Five hundred or more lawn signs for the qualified candidate committee of a candidate for the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (B) one hundred or more lawn signs for the qualified candidate committee of a candidate for the office of state senator, or (C) fifty or more lawn signs for the qualified candidate committee of a candidate for the office of state representative. If such qualified candidate committee has custody and control over lawn signs in the applicable amount, as described in this subdivision, the grant from the fund for the primary campaign or general election campaign, as applicable, for such qualified candidate committee shall be reduced as follows: (i) Two thousand five hundred dollars for the qualified candidate committee of a candidate for the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) five hundred dollars for the qualified candidate committee of a candidate for the office of state senator, or (iii) two hundred fifty dollars for the qualified candidate committee of a candidate for the office of state representative. In no event shall such a reduction be made both to a qualified candidate committee's primary campaign grant and to such candidate committee's general election grant. No reduction in either the primary campaign or general election campaign for a qualified candidate committee's grant shall be taken for any lawn sign that is not in the custody or control of the qualified candidate committee. Nothing in this subdivision shall be construed to apply to any item other than lawn signs.

Sec. 28. Sections 266, 601 to 610, inclusive, 620 and 621 of public act 17-2 of the June special session are repealed. (*Effective from passage*)

Approved November 21, 2017