AN ACT IMPLEMENTING THE GOVERNOR’S BUDGET RECOMMENDATIONS FOR GENERAL GOVERNMENT.

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

Section 1. Subsection (a) of section 12-7c of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The Commissioner of Revenue Services shall, on or before February 15, [2020] 2022, and biennially thereafter, submit to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding, and post on the department’s Internet web site a report on the overall incidence of the income tax, sales and excise taxes, the corporation business tax and property tax. The report shall present information on the distribution of the tax burden as follows:

(1) For individuals:

(A) Income classes, including income distribution expressed for every ten percentage points; and

(B) Other appropriate taxpayer characteristics, as determined by said commissioner.

(2) For businesses:

(A) Business size as established by gross receipts;

(B) Legal organization; and
(C) Industry by NAICS code.

Sec. 2. Section 4-8 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Each department head shall be qualified by training and experience for the duties of his or her office. Each department head shall act as the executive officer of the Governor for accomplishing the purposes of his or her department. Each department head shall (1) conduct comprehensive planning with respect to the functions of his or her department and coordinate the activities and programs of the state agencies therein; (2) cause the administrative organization of such department to be examined with a view to promoting economy and efficiency; and (3) organize the department and any agency therein into such divisions, bureaus or other units as he or she deems necessary for the efficient conduct of the business of the department. Each department head may from time to time abolish, transfer or consolidate within the department or any agency therein any division, bureau or other unit as may be necessary for the efficient conduct of the business of the department, provided such organization shall include any division, bureau or other unit which is specifically required by the general statutes. Each department head may appoint such deputies as may be necessary for the efficient conduct of the business of the department. Each department head shall designate one deputy who shall, in the absence or disqualification of the department head or on his or her death, exercise the powers and duties of the department head until the department head resumes his or her duties or the vacancy is filled. Such deputies shall serve at the pleasure of the department head. Such appointees shall devote their full time to their duties with the department or agency and shall engage in no other gainful employment. Subject to the provisions of chapter 67, each department head shall appoint such other employees as may be necessary for the discharge of his or her duties. Each department head may make regulations for the conduct of his or her department. Each department head may enter into contractual agreements, including but not limited to,
contractual agreements with other states, in accordance with established procedures, as may be necessary for the discharge of his or her duties. Subject to the provisions of section 4-32, and unless otherwise provided by law, each department head is authorized to receive any money, revenue or services from the federal government, corporations, associations or individuals, including payments from the sale of printed matter or any other material or services. Each department head may create such advisory boards as he or she deems necessary.

Sec. 3. Subsection (a) of section 10a-8c of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) Except as provided in subsection (b) of this section, notwithstanding the provisions of sections 10a-77a, 10a-99a, 10a-109c, 10a-109i and 10a-143a, no funds shall be appropriated to the Office of Higher Education for grants pursuant to subdivision (2) of subsection (a) of section 10a-77a, subdivision (2) of subsection (a) of section 10a-99a, subdivision (2) of subsection (b) of section 10a-109i and subdivision (2) of subsection (a) of section 10a-143a: (1) Until such time as the amount in the Budget Reserve Fund, established in section 4-30a, equals ten per cent of the net General Fund appropriations for the fiscal year in progress, (2) the amount of the grants appropriated shall be reduced proportionately if the amount available is less than the amount required for such grants, and (3) the amount of funds available to be appropriated during any fiscal year for such grants shall not exceed twenty-five million dollars.

Sec. 4. Subsection (b) of section 10a-8 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) The boards of trustees of each of the constituent units may transfer to or from any specific appropriation of such constituent unit a sum or sums totaling up to fifty thousand dollars or ten per cent of any such specific appropriation, whichever is
less, in any fiscal year without the consent of the Finance Advisory Committee. Any such transfer shall be reported to the Finance Advisory Committee within thirty days of such transfer and such report shall be a record of said committee.

Sec. 5. (Effective July 1, 2019) Notwithstanding the provisions of subsection (c) of section 4-66l of the general statutes:

(1) For the fiscal year ending June 30, 2020, municipal transition 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, 2016, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was equal to the mill rate imposed by such municipality and any district located within the municipality on real property and personal property other than motor vehicles; and

(2) For the fiscal year ending June 30, 2021, municipal transition 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, 2017, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was equal to the mill rate imposed by such municipality and any district located within the municipality on real property and personal property other than motor vehicles.

Sec. 6. Section 31-230 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective from passage):

(a) An individual's benefit year shall commence with the beginning of the week with respect to which the individual has filed a valid initiating claim and shall continue through the Saturday of the fifty-first week following the week in which it commenced, provided no benefit year shall end until after the end of the third complete calendar quarter, plus the remainder of any uncompleted calendar week that began in such quarter, following the calendar quarter in which it commenced, and provided further, the benefit year of an individual who has filed a combined wage claim, as described in subsection (b) of section 31-255, shall be the benefit year prescribed by the law of the paying state. In no event shall a benefit year be established before the termination of an existing benefit year previously established under the provisions of this chapter. Except as provided in subsection (b) of this section, the base period of a benefit year shall be the first four of the five most recently completed calendar quarters prior to such benefit year, provided such quarters were not previously used to establish a prior valid benefit year and provided further, the base period with respect to a combined wage claim, as described in subsection (b) of section 31-255, shall be the base period of the paying state, except that for any individual who is eligible to receive or is receiving workers' compensation or who is properly absent from work under the terms of the employer's sick leave or disability leave policy, the base period shall be the first four of the five most recently worked quarters prior to such benefit year, provided such quarters were consecutive and not previously used to establish a prior valid benefit year and provided further, the last most recently worked calendar quarter is no more than twelve calendar quarters prior to the date such individual makes an initiating claim. As used in this section, an initiating claim shall be deemed valid if the individual is unemployed and meets the requirements of subdivisions (1) and (3) of subsection (a) of section 31-235. The base period of an individual's benefit year shall include wages paid by any nonprofit organization electing reimbursement in lieu of contributions, or by the state and by any town, city or other political or governmental subdivision of or in this
state or of any municipality to such person with respect to whom such employer is subject to the provisions of this chapter. With respect to weeks of unemployment beginning on or after January 1, 1978, wages for insured work shall include wages paid for previously uncovered services. For purposes of this section, the term "previously uncovered services" means services that (1) were not employment, as defined in section 31-222, and were not services covered pursuant to section 31-223, at any time during the one-year period ending December 31, 1975; and (2) (A) are agricultural labor, as defined in subparagraph (H) of subdivision (1) of subsection (a) of section 31-222, or domestic service, as defined in subparagraph (J) of subdivision (1) of subsection (a) of section 31-222, or (B) are services performed by an employee of this state or a political subdivision of this state, as provided in subparagraph (C) of subdivision (1) of subsection (a) of section 31-222, or by an employee of a nonprofit educational institution that is not an institution of higher education, as provided in subparagraph (E)(iii) of subdivision (1) of subsection (a) of section 31-222, except to the extent that assistance under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of such services.

(b) The base period of a benefit year for any individual who is ineligible to receive benefits using the base period set forth in subsection (a) of this section shall be the four most recently completed calendar quarters prior to the individual's benefit year, provided such quarters were not previously used to establish a prior valid benefit year, except that for any such individual who is eligible to receive or is receiving workers' compensation or who is properly absent from work under the terms of an employer's sick leave or disability leave policy, the base period shall be the four most recently worked calendar quarters prior to such benefit year, provided such quarters were consecutive and not previously used to establish a prior valid benefit year and provided further, the last most recently worked calendar quarter is not more than twelve calendar quarters prior to the date such individual makes the initiating claim. If the wage information for an individual's most recently worked calendar quarter is unavailable
to the administrator from regular quarterly reports of systematically accessible wage information, the administrator shall promptly contact the individual's employer to obtain such wage information.

Sec. 7. Subsection (b) of section 31-273 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(b) (1) Any person who, by reason of fraud, wilful misrepresentation or wilful nondisclosure by such person or by another of a material fact, has received any sum as benefits under this chapter while any condition for the receipt of benefits imposed by this chapter was not fulfilled in such person's case, or has received a greater amount of benefits than was due such person under this chapter, shall be charged with an overpayment and shall be liable to repay to the administrator for the Unemployment Compensation Fund a sum equal to the amount so overpaid to such person. If such person does not make repayment in full of the sum overpaid, the administrator shall recoup such sum by offset from such person's unemployment benefits. The deduction from benefits shall be one hundred per cent of the person's weekly benefit entitlement until the full amount of the overpayment has been recouped. Where such offset is insufficient to recoup the full amount of the overpayment, the claimant shall repay the remaining amount plus, for any determination of an overpayment made on or after July 1, 2005, interest at the rate of one per cent of the amount so overpaid per month, in accordance with a repayment schedule as determined by the examiner. If the claimant fails to repay according to the schedule, the administrator may recover such overpayment plus interest through a wage execution against the claimant's earnings upon the claimant's return to work in accordance with the provisions of section 52-361a. In addition, the administrator may request the Commissioner of Administrative Services to seek reimbursement for such amount pursuant to section 12-742. If the administrator's actions are insufficient to recover such overpayment, the administrator may submit the outstanding balance to the Internal Revenue Service for the purpose of offsetting the claimant's federal tax refund pursuant to 26
USC 6402(f), 31 USC 3720A or other applicable federal laws. The administrator is authorized, eight years after the payment of any benefits described in this subsection, to cancel any claim for such repayment or recoupment which in the administrator's opinion is uncollectible. Effective January 1, 1996, and annually thereafter, the administrator shall report to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding and the joint standing committee of the General Assembly having cognizance of matters relating to labor and public employees, the aggregate number and value of all such claims deemed uncollectible and therefore cancelled during the previous calendar year.

(2) (A) For any determination of an overpayment made prior to October 1, 2013, any person who has made a claim for benefits under this chapter and has knowingly made a false statement or representation or has knowingly failed to disclose a material fact in order to obtain benefits or to increase the amount of benefits to which such person may be entitled under this chapter shall forfeit benefits for not less than one or more than thirty-nine compensable weeks following determination of such offense or offenses, during which weeks such person would otherwise have been eligible to receive benefits. For the purposes of section 31-231b, such person shall be deemed to have received benefits for such forfeited weeks. This penalty shall be in addition to any other applicable penalty under this section and in addition to the liability to repay any moneys so received by such person and shall not be confined to a single benefit year. The provisions of this subparagraph shall not be applicable to claims deemed payable as of October 1, 2019. (B) For any determination of an overpayment made on or after October 1, 2013, any person who has made a claim for benefits under this chapter and has knowingly made a false statement or representation or has knowingly failed to disclose a material fact in order to obtain benefits or to increase the amount of benefits to which such person may be entitled under this chapter shall be subject to a penalty of fifty per cent of the amount of overpayment for the first offense and a penalty of one hundred per cent of the
amount of overpayment for any subsequent offense. This penalty shall be in addition to the liability to repay the full amount of overpayment and shall not be confined to a single benefit year. Thirty-five per cent of any such penalty shall be paid into the Unemployment Compensation Trust Fund and sixty-five per cent of such penalty shall be paid into the Employment Security Administration Fund. The penalty amounts computed in this subparagraph shall be rounded to the nearest dollar with fractions of a dollar of exactly fifty cents rounded upward.

(3) Any person charged with the fraudulent receipt of benefits or the making of a fraudulent claim, as provided in this subsection, shall be entitled to a determination of eligibility by the administrator that shall be based upon evidence or testimony presented in a manner prescribed by the administrator including in writing, by telephone or by other electronic means. The administrator may prescribe a hearing by telephone or in person at his or her discretion, provided if an in person hearing is requested, the request may not be unreasonably denied by the administrator. Notice of the time and place of such hearing, and the reasons for such hearing, shall be given to the person not less than five days prior to the date appointed for such hearing. The administrator shall determine, on the basis of facts found by the administrator, whether or not a fraudulent act subject to the penalties of this subsection has been committed and, upon such finding, shall fix the penalty for any such offense according to the provisions of this subsection. Any person determined by the administrator to have committed fraud under the provisions of this section shall be liable for repayment to the administrator of the Unemployment Compensation Fund for any benefits determined by the administrator to have been collected fraudulently, as well as any other penalties assessed by the administrator in accordance with the provisions of this subsection. Until such liabilities have been met to the satisfaction of the administrator, such person shall forfeit any right to receive benefits under the provisions of this chapter. Notification of such decision and penalty shall be provided to such person and shall be final unless such person files an appeal not later than twenty-one days after the date
such notification was provided to such person, except that (A) any such appeal that is filed after such twenty-one-day period may be considered to be timely filed if the filing party shows good cause, as defined in regulations adopted pursuant to section 31-249h, for the late filing, (B) if the last day for filing an appeal falls on any day when the offices of the Employment Security Division are not open for business, such last day shall be extended to the next business day, (C) if any such appeal is filed by mail, the appeal shall be considered timely filed if the appeal was received within such twenty-one-day period or bears a legible United States postal service postmark that indicates that within such twenty-one-day period the appeal was placed in the possession of postal authorities for delivery to the appropriate office, except posting dates attributable to private postage meters shall not be considered in determining the timeliness of appeals filed by mail, and (D) if any such appeal is filed electronically, such appeal shall be considered timely filed if it was received within such twenty-one-day period. Such appeal shall be heard by a referee in the same manner provided in section 31-242 for an appeal from the decision of an examiner on a claim for benefits. The manner in which such appeals shall be heard and appeals taken therefrom to the board of review and then to the Superior Court, either by the administrator or the claimant, shall be in accordance with the provisions set forth in section 31-249 or 31-249b, as the case may be. Any determination of overpayment made under this subsection which becomes final on or after October 1, 1995, may be enforced in the same manner as a judgment of the Superior Court when the claimant fails to pay according to the claimant's repayment schedule. The court may issue execution upon any final determination of overpayment in the same manner as in cases of judgments rendered in the Superior Court; and upon the filing of an application to the court for an execution, the administrator shall send to the clerk of the court a certified copy of such determination.

Sec. 8. Subsection (a) of section 31-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

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*Proposed Substitute Bill No. 872*
(a) In administering this chapter, the administrator may adopt such regulations, employ such persons, make such expenditures, require such reports, make such investigations and take such other action as may be necessary or suitable, including, but not limited to, entering into a consortium with other states and entering into any contract or memorandum of understanding associated with such consortium. Such regulations shall be effective upon publication in the manner which the administrator prescribes. As provided in section 4-60, the administrator shall submit to the Governor a report covering the administration and operation of this chapter during the preceding fiscal year and shall make such recommendations for amendments to this chapter as he deems proper. The administrator shall comply with the provisions of Section 303(a)(6) and (7) of the federal Social Security Act, and of Section 303(c), added to the federal Social Security Act by Section 13(g) of the federal Railroad Unemployment Insurance Act. The administrator is authorized to receive the reimbursement of the federal share of extended benefits paid under the provisions of sections 31-232b to 31-232h, inclusive, and section 31-232k that are reimbursable under the provisions of federal law.

Sec. 9. Section 5-156a of the general statutes is amended by adding subsection (h) as follows (Effective July 1, 2019):

(NEW) (h) Any recovery of pension costs from appropriated or nonappropriated sources other than the General Fund and Special Transportation Fund that causes the payments to the State Employees Retirement System to exceed the actuarially determined employer contribution for any fiscal year shall be deposited into the State Employees Retirement Fund as an additional employer contribution at the end of such fiscal year.

This act shall take effect as follows and shall amend the following sections:

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