

**Proposed Substitute  
Bill No. 872**

LCO No. 7760

**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:

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2 repealed and the following is substituted in lieu thereof (*Effective from*  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

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

12 (1) For individuals:

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

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

17 (2) For businesses:

18 (A) Business size as established by gross receipts;

19 (B) Legal organization; and

20 (C) Industry by NAICS code.

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 Section 4-8 of the general statutes is repealed and the  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

23 Each department head shall be qualified by training and experience  
24 for the duties of his or her office. Each department head shall act as the  
25 executive officer of the Governor for accomplishing the purposes of his  
26 or her department. [He] Each department head shall (1) conduct  
27 comprehensive planning with respect to the functions of his or her  
28 department and coordinate the activities and programs of the state  
29 agencies therein; [. He shall] (2) cause the administrative organization  
30 of [said] such department to be examined with a view to promoting  
31 economy and efficiency; [. He shall] and (3) organize the department  
32 and any agency therein into such divisions, bureaus or other units as  
33 he or she deems necessary for the efficient conduct of the business of  
34 the department. [and] Each department head may from time to time  
35 abolish, transfer or consolidate within the department or any agency  
36 therein any division, bureau or other unit as may be necessary for the  
37 efficient conduct of the business of the department, provided such  
38 organization shall include any division, bureau or other unit which is  
39 specifically required by the general statutes. Each department head  
40 may appoint such deputies as may be necessary for the efficient  
41 conduct of the business of the department. Each department head shall  
42 designate one deputy who shall, in the absence or disqualification of  
43 the department head or on his or her death, exercise the powers and  
44 duties of the department head until [he] the department head resumes  
45 his or her duties or the vacancy is filled. Such deputies shall serve at  
46 the pleasure of the department head. Such appointees shall devote  
47 their full time to their duties with the department or agency and shall  
48 engage in no other gainful employment. Subject to the provisions of  
49 chapter 67, each department head shall appoint such other employees  
50 as may be necessary for the discharge of his or her duties. [He is  
51 empowered to] Each department head may make regulations for the  
52 conduct of his or her department. Each department head may enter  
53 into [such] contractual agreements, including, but not limited to,

54 contractual agreements with other states, in accordance with  
55 established procedures, as may be necessary for the discharge of his or  
56 her duties. Subject to the provisions of section 4-32, and unless  
57 otherwise provided by law, each department head is authorized to  
58 receive any money, revenue or services from the federal government,  
59 corporations, associations or individuals, including payments from the  
60 sale of printed matter or any other material or services. Each  
61 department head may create such advisory boards as he or she deems  
62 necessary.

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

66 (a) Except as provided in subsection (b) of this section,  
67 notwithstanding the provisions of sections 10a-77a, 10a-99a, 10a-109c,  
68 10a-109i and 10a-143a, no funds shall be appropriated to the Office of  
69 Higher Education for grants pursuant to subdivision (2) of subsection  
70 (a) of section 10a-77a, subdivision (2) of subsection (a) of section 10a-  
71 99a, subdivision (2) of subsection (b) of section 10a-109i and  
72 subdivision (2) of subsection (a) of section 10a-143a: (1) Until such time  
73 as the amount in the Budget Reserve Fund, established in section 4-  
74 30a, equals [ten] fifteen per cent of the net General Fund  
75 appropriations for the fiscal year in progress, (2) the amount of the  
76 grants appropriated shall be reduced proportionately if the amount  
77 available is less than the amount required for such grants, and (3) the  
78 amount of funds available to be appropriated during any fiscal year  
79 for such grants shall not exceed twenty-five million dollars.

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

83 (b) The boards of trustees of each of the constituent units may  
84 transfer to or from any specific appropriation of such constituent unit a  
85 sum or sums totaling up to [fifty] one hundred seventy-five thousand  
86 dollars or ten per cent of any such specific appropriation, whichever is

87 less, in any fiscal year without the consent of the Finance Advisory  
88 Committee. Any such transfer shall be reported to the Finance  
89 Advisory Committee within thirty days of such transfer and such  
90 report shall be a record of said committee.

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

93 (1) For the fiscal year ending June 30, 2020, municipal transition  
94 grants to municipalities that impose mill rates on real property and  
95 personal property other than motor vehicles greater than 45 mills or  
96 that, when combined with the mill rate of any district located within  
97 the municipality, impose mill rates greater than 45 mills, shall be made  
98 in an amount equal to the difference between the amount of property  
99 taxes levied by the municipality and any district located within the  
100 municipality on motor vehicles for the assessment year commencing  
101 October 1, 2016, and the amount such levy would have been if the mill  
102 rate on motor vehicles for said assessment year was equal to the mill  
103 rate imposed by such municipality and any district located within the  
104 municipality on real property and personal property other than motor  
105 vehicles; and

106 (2) For the fiscal year ending June 30, 2021, municipal transition  
107 grants to municipalities that impose mill rates on real property and  
108 personal property, other than motor vehicles, greater than 45 mills or  
109 that, when combined with the mill rate of any district located within  
110 the municipality, impose mill rates greater than 45 mills, shall be made  
111 in an amount equal to the difference between the amount of property  
112 taxes levied by the municipality and any district located within the  
113 municipality on motor vehicles for the assessment year commencing  
114 October 1, 2017, and the amount such levy would have been if the mill  
115 rate on motor vehicles for said assessment year was equal to the mill  
116 rate imposed by such municipality and any district located within the  
117 municipality on real property and personal property other than motor  
118 vehicles.

119 Sec. 6. Section 31-230 of the general statutes is repealed and the

120 following is substituted in lieu thereof (*Effective from passage*):

121 (a) An individual's benefit year shall commence with the beginning  
122 of the week with respect to which the individual has filed a valid  
123 initiating claim and shall continue through the Saturday of the fifty-  
124 first week following the week in which it commenced, provided no  
125 benefit year shall end until after the end of the third complete calendar  
126 quarter, plus the remainder of any uncompleted calendar week that  
127 began in such quarter, following the calendar quarter in which it  
128 commenced, and provided further, the benefit year of an individual  
129 who has filed a combined wage claim, as described in subsection (b) of  
130 section 31-255, shall be the benefit year prescribed by the law of the  
131 paying state. In no event shall a benefit year be established before the  
132 termination of an existing benefit year previously established under  
133 the provisions of this chapter. Except as provided in subsection (b) of  
134 this section, the base period of a benefit year shall be the first four of  
135 the five most recently completed calendar quarters prior to such  
136 benefit year, provided such quarters were not previously used to  
137 establish a prior valid benefit year and provided further, the base  
138 period with respect to a combined wage claim, as described in  
139 subsection (b) of section 31-255, shall be the base period of the paying  
140 state, except that for any individual who is eligible to receive or is  
141 receiving workers' compensation or who is properly absent from work  
142 under the terms of the employer's sick leave or disability leave policy,  
143 the base period shall be the first four of the five most recently worked  
144 quarters prior to such benefit year, provided such quarters were  
145 consecutive and not previously used to establish a prior valid benefit  
146 year and provided further, the last most recently worked calendar  
147 quarter is no more than twelve calendar quarters prior to the date such  
148 individual makes an initiating claim. As used in this section, an  
149 initiating claim shall be deemed valid if the individual is unemployed  
150 and meets the requirements of subdivisions (1) and (3) of subsection  
151 (a) of section 31-235. The base period of an individual's benefit year  
152 shall include wages paid by any nonprofit organization electing  
153 reimbursement in lieu of contributions, or by the state and by any  
154 town, city or other political or governmental subdivision of or in this

155 state or of any municipality to such person with respect to whom such  
156 employer is subject to the provisions of this chapter. With respect to  
157 weeks of unemployment beginning on or after January 1, 1978, wages  
158 for insured work shall include wages paid for previously uncovered  
159 services. For purposes of this section, the term "previously uncovered  
160 services" means services that (1) were not employment, as defined in  
161 section 31-222, and were not services covered pursuant to section 31-  
162 223, at any time during the one-year period ending December 31, 1975;  
163 and (2) (A) are agricultural labor, as defined in subparagraph (H) of  
164 subdivision (1) of subsection (a) of section 31-222, or domestic service,  
165 as defined in subparagraph (J) of subdivision (1) of subsection (a) of  
166 section 31-222, or (B) are services performed by an employee of this  
167 state or a political subdivision of this state, as provided in  
168 subparagraph (C) of subdivision (1) of subsection (a) of section 31-222,  
169 or by an employee of a nonprofit educational institution that is not an  
170 institution of higher education, as provided in subparagraph (E)(iii) of  
171 subdivision (1) of subsection (a) of section 31-222, except to the extent  
172 that assistance under Title II of the Emergency Jobs and  
173 Unemployment Assistance Act of 1974 was paid on the basis of such  
174 services.

175 (b) The base period of a benefit year for any individual who is  
176 ineligible to receive benefits using the base period set forth in  
177 subsection (a) of this section shall be the four most recently completed  
178 calendar quarters prior to the individual's benefit year, provided such  
179 quarters were not previously used to establish a prior valid benefit  
180 year, except that for any such individual who is eligible to receive or is  
181 receiving workers' compensation or who is properly absent from work  
182 under the terms of an employer's sick leave or disability leave policy,  
183 the base period shall be the four most recently worked calendar  
184 quarters prior to such benefit year, provided such quarters were  
185 consecutive and not previously used to establish a prior valid benefit  
186 year and provided further, the last most recently worked calendar  
187 quarter is not more than twelve calendar quarters prior to the date  
188 such individual makes the initiating claim. If the wage information for  
189 an individual's most recently worked calendar quarter is unavailable

190 to the administrator from regular quarterly reports of systematically  
191 accessible wage information, the administrator shall promptly contact  
192 the individual's employer to obtain such wage information.

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

196 (b) (1) Any person who, by reason of fraud, wilful misrepresentation  
197 or wilful nondisclosure by such person or by another of a material fact,  
198 has received any sum as benefits under this chapter while any  
199 condition for the receipt of benefits imposed by this chapter was not  
200 fulfilled in such person's case, or has received a greater amount of  
201 benefits than was due such person under this chapter, shall be charged  
202 with an overpayment and shall be liable to repay to the administrator  
203 for the Unemployment Compensation Fund a sum equal to the  
204 amount so overpaid to such person. If such person does not make  
205 repayment in full of the sum overpaid, the administrator shall recoup  
206 such sum by offset from such person's unemployment benefits. The  
207 deduction from benefits shall be one hundred per cent of the person's  
208 weekly benefit entitlement until the full amount of the overpayment  
209 has been recouped. Where such offset is insufficient to recoup the full  
210 amount of the overpayment, the claimant shall repay the remaining  
211 amount plus, for any determination of an overpayment made on or  
212 after July 1, 2005, interest at the rate of one per cent of the amount so  
213 overpaid per month, in accordance with a repayment schedule as  
214 determined by the examiner. If the claimant fails to repay according to  
215 the schedule, the administrator may recover such overpayment plus  
216 interest through a wage execution against the claimant's earnings upon  
217 the claimant's return to work in accordance with the provisions of  
218 section 52-361a. In addition, the administrator may request the  
219 Commissioner of Administrative Services to seek reimbursement for  
220 such amount pursuant to section 12-742. If the administrator's actions  
221 are insufficient to recover such overpayment, the administrator may  
222 submit the outstanding balance to the Internal Revenue Service for the  
223 purpose of offsetting the claimant's federal tax refund pursuant to 26

224 USC 6402(f), 31 USC 3720A or other applicable federal laws. The  
225 administrator is authorized, eight years after the payment of any  
226 benefits described in this subsection, to cancel any claim for such  
227 repayment or recoupment which in the administrator's opinion is  
228 uncollectible. Effective January 1, 1996, and annually thereafter, the  
229 administrator shall report to the joint standing committee of the  
230 General Assembly having cognizance of matters relating to finance,  
231 revenue and bonding and the joint standing committee of the General  
232 Assembly having cognizance of matters relating to labor and public  
233 employees, the aggregate number and value of all such claims deemed  
234 uncollectible and therefore cancelled during the previous calendar  
235 year.

236 (2) (A) For any determination of an overpayment made prior to  
237 October 1, 2013, any person who has made a claim for benefits under  
238 this chapter and has knowingly made a false statement or  
239 representation or has knowingly failed to disclose a material fact in  
240 order to obtain benefits or to increase the amount of benefits to which  
241 such person may be entitled under this chapter shall forfeit benefits for  
242 not less than one or more than thirty-nine compensable weeks  
243 following determination of such offense or offenses, during which  
244 weeks such person would otherwise have been eligible to receive  
245 benefits. For the purposes of section 31-231b, such person shall be  
246 deemed to have received benefits for such forfeited weeks. This  
247 penalty shall be in addition to any other applicable penalty under this  
248 section and in addition to the liability to repay any moneys so received  
249 by such person and shall not be confined to a single benefit year. The  
250 provisions of this subparagraph shall not be applicable to claims  
251 deemed payable as of October 1, 2019. (B) For any determination of an  
252 overpayment made on or after October 1, 2013, any person who has  
253 made a claim for benefits under this chapter and has knowingly made  
254 a false statement or representation or has knowingly failed to disclose  
255 a material fact in order to obtain benefits or to increase the amount of  
256 benefits to which such person may be entitled under this chapter shall  
257 be subject to a penalty of fifty per cent of the amount of overpayment  
258 for the first offense and a penalty of one hundred per cent of the



259 amount of overpayment for any subsequent offense. This penalty shall  
260 be in addition to the liability to repay the full amount of overpayment  
261 and shall not be confined to a single benefit year. Thirty-five per cent  
262 of any such penalty shall be paid into the Unemployment  
263 Compensation Trust Fund and sixty-five per cent of such penalty shall  
264 be paid into the Employment Security Administration Fund. The  
265 penalty amounts computed in this subparagraph shall be rounded to  
266 the nearest dollar with fractions of a dollar of exactly fifty cents  
267 rounded upward.

268 (3) Any person charged with the fraudulent receipt of benefits or the  
269 making of a fraudulent claim, as provided in this subsection, shall be  
270 entitled to a determination of eligibility by the administrator that shall  
271 be based upon evidence or testimony presented in a manner  
272 prescribed by the administrator including in writing, by telephone or  
273 by other electronic means. The administrator may prescribe a hearing  
274 by telephone or in person at his or her discretion, provided if an in  
275 person hearing is requested, the request may not be unreasonably  
276 denied by the administrator. Notice of the time and place of such  
277 hearing, and the reasons for such hearing, shall be given to the person  
278 not less than five days prior to the date appointed for such hearing.  
279 The administrator shall determine, on the basis of facts found by the  
280 administrator, whether or not a fraudulent act subject to the penalties  
281 of this subsection has been committed and, upon such finding, shall fix  
282 the penalty for any such offense according to the provisions of this  
283 subsection. Any person determined by the administrator to have  
284 committed fraud under the provisions of this section shall be liable for  
285 repayment to the administrator of the Unemployment Compensation  
286 Fund for any benefits determined by the administrator to have been  
287 collected fraudulently, as well as any other penalties assessed by the  
288 administrator in accordance with the provisions of this subsection.  
289 Until such liabilities have been met to the satisfaction of the  
290 administrator, such person shall forfeit any right to receive benefits  
291 under the provisions of this chapter. Notification of such decision and  
292 penalty shall be provided to such person and shall be final unless such  
293 person files an appeal not later than twenty-one days after the date

294 such notification was provided to such person, except that (A) any  
295 such appeal that is filed after such twenty-one-day period may be  
296 considered to be timely filed if the filing party shows good cause, as  
297 defined in regulations adopted pursuant to section 31-249h, for the late  
298 filing, (B) if the last day for filing an appeal falls on any day when the  
299 offices of the Employment Security Division are not open for business,  
300 such last day shall be extended to the next business day, (C) if any  
301 such appeal is filed by mail, the appeal shall be considered timely filed  
302 if the appeal was received within such twenty-one-day period or bears  
303 a legible United States postal service postmark that indicates that  
304 within such twenty-one-day period the appeal was placed in the  
305 possession of postal authorities for delivery to the appropriate office,  
306 except posting dates attributable to private postage meters shall not be  
307 considered in determining the timeliness of appeals filed by mail, and  
308 (D) if any such appeal is filed electronically, such appeal shall be  
309 considered timely filed if it was received within such twenty-one-day  
310 period. Such appeal shall be heard by a referee in the same manner  
311 provided in section 31-242 for an appeal from the decision of an  
312 examiner on a claim for benefits. The manner in which such appeals  
313 shall be heard and appeals taken therefrom to the board of review and  
314 then to the Superior Court, either by the administrator or the claimant,  
315 shall be in accordance with the provisions set forth in section 31-249 or  
316 31-249b, as the case may be. Any determination of overpayment made  
317 under this subsection which becomes final on or after October 1, 1995,  
318 may be enforced in the same manner as a judgment of the Superior  
319 Court when the claimant fails to pay according to the claimant's  
320 repayment schedule. The court may issue execution upon any final  
321 determination of overpayment in the same manner as in cases of  
322 judgments rendered in the Superior Court; and upon the filing of an  
323 application to the court for an execution, the administrator shall send  
324 to the clerk of the court a certified copy of such determination.

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

328 (a) In administering this chapter, the administrator may adopt such  
329 regulations, employ such persons, make such expenditures, require  
330 such reports, make such investigations and take such other action as  
331 may be necessary or suitable, including, but not limited to, entering  
332 into a consortium with other states and entering into any contract or  
333 memorandum of understanding associated with such consortium.  
334 Such regulations shall be effective upon publication in the manner  
335 which the administrator prescribes. As provided in section 4-60, the  
336 administrator shall submit to the Governor a report covering the  
337 administration and operation of this chapter during the preceding  
338 fiscal year and shall make such recommendations for amendments to  
339 this chapter as he deems proper. The administrator shall comply with  
340 the provisions of Section 303(a)(6) and (7) of the federal Social Security  
341 Act, and of Section 303(c), added to the federal Social Security Act by  
342 Section 13(g) of the federal Railroad Unemployment Insurance Act.  
343 The administrator is authorized to receive the reimbursement of the  
344 federal share of extended benefits paid under the provisions of  
345 sections 31-232b to 31-232h, inclusive, and section 31-232k that are  
346 reimbursable under the provisions of federal law.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-7c(a)
Sec. 2	<i>from passage</i>	4-8
Sec. 3	<i>from passage</i>	10a-8c(a)

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**Proposed Substitute Bill No. 872**

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Sec. 4	<i>from passage</i>	10a-8(b)
Sec. 5	<i>July 1, 2019</i>	New section
Sec. 6	<i>from passage</i>	31-230
Sec. 7	<i>from passage</i>	31-273(b)
Sec. 8	<i>from passage</i>	31-250(a)
Sec. 9	<i>July 1, 2019</i>	5-156a