

OFFICE OF FISCAL ANALYSIS

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sHB-6506

AN ACT CONCERNING THE PROCEDURES OF THE OFFICE OF
THE CLAIMS COMMISSIONER.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 22 \$ | FY 23 \$ |
|--|---------------------|-----------------|-----------------|
| State Comptroller - Fringe Benefits ¹ | GF - Potential Cost | 200,007 | 207,007 |
| Attorney General | GF - Potential Cost | 484,278 | 501,228 |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes to laws concerning claims presented to the claims commissioner regarding permission to sue the state, expanding the circumstances under which the state may be sued.

Specifically, the bill allows the claims commissioner to grant permission to sue the state without a hearing under certain circumstances and to an expanded pool of pending claims. However, Section 4 of the bill targets only those that “exclusively” request permission to sue. Under this provision, it is anticipated that few pending claims include this exclusive request.

To the extent the bill requires the Office of Attorney General (OAG) to represent the state in Court in an increased number of currently pending cases, there may be costs associated with hiring six additional

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

agency staff, including attorneys and support staff. Costs to OAG would be \$484,278 in FY 22 and \$501,228 in FY 23 (not including associated fringe benefits of approximately \$200,000 annually.) This total cost, of \$684,285 in FY 22 and \$708,235 in FY 23 depends on the number of pending claims that are granted by the claims commissioner.

There may also be costs the state associated with additional litigation (i.e. experts, depositions, and discovery) when cases go to Court, in addition to liability cost in the form of judgments.

Additionally, the bill revises timelines of the Office of the Claims Commissioner (OCC) to grant claimants permission to sue the state. This will not result in a fiscal impact to the OCC as it attempts to eliminate the backlog of claims and create new mechanisms to move claims out of the office more efficiently.

The bill makes other changes that are not anticipated to result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of claims that are granted by the claims commissioner and are brought before Court and the extent of any liability to the state.