



General Assembly

January Session, 2021

Governor's Bill No. 6450

LCO No. 3229



Referred to Committee on PUBLIC HEALTH

Introduced by:

Request of the Governor Pursuant
to Joint Rule 9

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS CONCERNING PUBLIC HEALTH.**

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

1 Section 1. Subsection (a) of section 21a-415 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective January*
3 *1, 2022*):

4 (a) As used in this chapter and section [53-344] 2 of this act:

5 (1) "Authorized owner" means the owner or authorized designee of a
6 business entity that is applying for a registration or is registered with
7 the Department of Consumer Protection pursuant to this chapter;

8 (2) "Business entity" means any corporation, limited liability
9 company, association, partnership, sole proprietorship, government,
10 governmental subdivision or agency, business trust, estate, trust or any
11 other legal entity;

12 (3) "Dealer registration" means an electronic nicotine delivery system

13 certificate of dealer registration issued by the Commissioner of
14 Consumer Protection pursuant to this section;

15 (4) "Manufacturer registration" means an electronic nicotine delivery
16 system certificate of manufacturer registration issued by the
17 Commissioner of Consumer Protection pursuant to section 21a-415a to
18 any person who mixes, compounds, repackages or resizes any nicotine-
19 containing electronic nicotine delivery system or vapor product;

20 (5) "Electronic cigarette liquid" means a liquid that, when used in an
21 electronic nicotine delivery system or vapor product, produces a vapor
22 that may or may not include nicotine and is inhaled by the user of such
23 electronic nicotine delivery system or vapor product;

24 (6) "Electronic nicotine delivery system" means an electronic device
25 used in the delivery of nicotine or other substances to a person inhaling
26 from the device, and includes, but is not limited to, an electronic
27 cigarette, electronic cigar, electronic cigarillo, electronic pipe or
28 electronic hookah and any related device and any cartridge or other
29 component of such device, including, but not limited to, electronic
30 cigarette liquid;

31 (7) "Vapor product" means any product that employs a heating
32 element, power source, electronic circuit or other electronic, chemical or
33 mechanical means, regardless of shape or size, to produce a vapor that
34 may include nicotine and is inhaled by the user of such product. "Vapor
35 product" does not include a medicinal or therapeutic product that is (A)
36 used by a licensed health care provider to treat a patient in a health care
37 setting, (B) used by a patient, as prescribed or directed by a licensed
38 health care provider in any setting, or (C) any drug or device, as defined
39 in the federal Food, Drug and Cosmetic Act, 21 USC 321, as amended
40 from time to time, any combination product, as described in said act, 21
41 USC 353(g), as amended from time to time, or any biological product, as
42 described in 42 USC 262, as amended from time to time, and 21 CFR
43 600.3, as amended from time to time, authorized for sale by the United
44 States Food and Drug Administration;

45 (8) "Sale" or "sell" means an act done intentionally by any person,
46 whether done as principal, proprietor, agent, servant or employee, of
47 transferring, or offering or attempting to transfer, for consideration,
48 including bartering or exchanging, or offering to barter or exchange;
49 [and]

50 (9) "Deliver" or "delivering" means an act done intentionally by any
51 person, whether as principal, proprietor, agent, servant or employee, of
52 transferring, or offering or attempting to transfer, physical possession
53 or control of an electronic nicotine delivery system or vapor product;

54 (10) "Flavoring agent" means an additive used in food or drugs when
55 such additive (A) is used in accordance with good manufacturing
56 practice principles and in the minimum quantity required to produce its
57 intended effect; (B) (i) consists of one or more ingredients generally
58 recognized as safe in food or drugs, (ii) has been previously sanctioned
59 for use in food or drugs by the state or the federal government, (iii)
60 meets United States Pharmacopeia standards, or (iv) is an additive
61 permitted for direct addition to food for human consumption pursuant
62 to 21 CFR 172, as amended from time to time; (C) is inert and produces
63 no effect other than the instillation or modification of flavor; and (D) is
64 not greater than five per cent of the total weight of the product.

65 Sec. 2. (NEW) (*Effective January 1, 2022*) No person shall sell, give,
66 deliver or possess with intent to sell in this state an electronic nicotine
67 delivery system or a vapor product with a flavoring agent, other than
68 tobacco flavor, that has been added for the purpose of flavoring the
69 contents of the electronic nicotine delivery system or vapor product.
70 This section shall not apply to any product that the United States
71 Secretary of Health and Human Services determines to be a modified
72 risk tobacco product pursuant to 21 USC 387k, as amended from time to
73 time.

74 (b) (1) No person shall sell, give, deliver or possess with intent to sell,
75 in this state an electronic nicotine delivery system or a vapor product
76 with a nicotine content that is greater than thirty-five milligrams per

77 milliliter. Each person with a manufacturer registration shall provide
78 documentation to a person with a dealer registration, indicating the
79 nicotine content, expressed as milligrams per milliliter, for each
80 electronic nicotine delivery system and vapor product sold by such
81 person with a manufacturer registration to such person with a dealer
82 registration.

83 (2) Each business entity holding a dealer registration shall (A)
84 maintain documentation, within the place of business identified in the
85 business entity's application for dealer registration, of the nicotine
86 content provided pursuant to subdivision (1) of this subsection by the
87 person with a manufacturer registration, for each electronic nicotine
88 delivery system and vapor product sold, given or delivered by such
89 person to the business entity, and (B) provide such documentation at the
90 request of the Commissioner of Mental Health and Addiction Services,
91 or the commissioner's designee, during any unannounced compliance
92 check conducted pursuant to section 21-415b of the general statutes, as
93 amended by this act.

94 (c) As used in this section, "person" means any individual, authorized
95 owner of a business entity, retail establishment, as defined in section
96 19a-106a of the general statutes, partnership, company, limited liability
97 company, public or private corporation, association, trustee, executor,
98 administrator or other fiduciary or custodian.

99 Sec. 3. Section 21a-415b of the general statutes is repealed and the
100 following is substituted in lieu thereof (*Effective January 1, 2022*):

101 (a) Each business entity with a dealer registration shall place and
102 maintain in legible condition at each point of sale of electronic nicotine
103 delivery systems or vapor products a notice to consumers that states (1)
104 the sale, giving or delivering of electronic nicotine delivery systems and
105 vapor products to any person under twenty-one years of age is
106 prohibited by section 53-344b, as amended by this act, (2) the use of false
107 identification by a person under twenty-one years of age to purchase an
108 electronic nicotine delivery system or a vapor product is prohibited, and

109 (3) the penalties and fines for violating the provisions of this section and
110 section 53-344b, as amended by this act.

111 (b) (1) The Commissioner of Mental Health and Addiction Services,
112 or the commissioner's designee, shall conduct unannounced compliance
113 checks on business entities [holding] with a dealer registration by
114 engaging persons between the ages of sixteen and twenty to enter the
115 place of business of each such business entity to attempt to purchase an
116 electronic nicotine delivery system or a vapor product.

117 (2) The Commissioner of Mental Health and Addiction Services, or
118 the commissioner's designee, shall conduct unannounced compliance
119 checks on business entities with a dealer registration to determine
120 whether any such business entity is selling, giving or delivering or has
121 sold, given or delivered any electronic nicotine delivery system or vapor
122 product with a flavoring agent, other than tobacco flavor, that has been
123 added for the purpose of flavoring the contents of the electronic delivery
124 system or vapor product, in violation of subsection (a) of section 2 of
125 this act.

126 (3) The Commissioner of Mental Health and Addiction Services, or
127 the commissioner's designee, shall conduct unannounced compliance
128 checks on business entities with a dealer registration to determine
129 whether each such business entity is in possession of the documentation
130 required under subsection (b) of section 2 of this act and whether such
131 documentation indicates that electronic nicotine delivery systems or
132 vapor products with a nicotine content greater than thirty-five
133 milligrams per milliliter were sold, given or delivered by such business
134 entity. The commissioner shall refer all business entities that do not
135 possess such documentation or that sold, gave, delivered or possessed
136 with intent to sell an electronic nicotine delivery system or a vapor
137 product with a nicotine content that is greater than 35 milligrams per
138 milliliter to the Commissioner of Revenue Services.

139 (4) The commissioner shall conduct unannounced follow-up
140 compliance checks of all noncompliant business entities and shall refer

141 all noncompliant business entities to the Commissioner of Revenue
142 Services.

143 (c) Upon receipt of a referral made pursuant to subsection (b) of this
144 section, the Commissioner of Revenue Services may, following a
145 hearing, impose a civil penalty and direct the Commissioner of
146 Consumer Protection to suspend or revoke the dealer registration of the
147 business entity that is the subject of such referral. The Commissioner of
148 Revenue Services shall provide such business entity with written notice
149 of the hearing, specifying the time and place of such hearing and
150 requiring such business entity to show cause why such dealer
151 registration should not be suspended or revoked. The written notice of
152 the hearing shall be mailed or delivered to such business entity not less
153 than ten days preceding the date of the hearing. Such notice may be
154 served personally or by registered or certified mail.

155 (d) If the Commissioner of Revenue Services finds, after a hearing
156 pursuant to subsection (c) of this section, that any person employed by
157 any business entity issued a dealer registration under section 21a-415,
158 as amended by this act, has sold, given or delivered an electronic
159 nicotine delivery system or vapor product to a person under twenty-one
160 years of age, other than a person under twenty-one years of age who is
161 delivering or accepting delivery in such person's capacity as an
162 employee, said commissioner shall, for the first violation, require such
163 employee to successfully complete an online prevention education
164 program administered by the Department of Mental Health and
165 Addiction Services not later than thirty days after said commissioner's
166 finding. Said commissioner shall assess any employee who fails to
167 complete such program a civil penalty of [two] four hundred dollars.
168 Said commissioner shall assess any employee a civil penalty of [two
169 hundred fifty] five hundred dollars for a second or subsequent violation
170 on or before twenty-four months after the date of the first violation.

171 (e) (1) If the Commissioner of Revenue Services finds, after a hearing
172 pursuant to subsection (c) of this section, that [(1)] (A) any business
173 entity issued a dealer registration under section 21a-415, as amended by

174 this act, has sold, given or delivered an electronic nicotine delivery
175 system or vapor product to a person under twenty-one years of age,
176 other than a person under twenty-one years of age who is delivering or
177 accepting delivery in such person's capacity as an employee, or [(2)] (B)
178 such person's employee has sold, given or delivered an electronic
179 nicotine delivery system or vapor product to a person under twenty-one
180 years of age, the commissioner shall, for the first violation, require the
181 authorized owner of such business entity to successfully complete an
182 online prevention education program administered by the Department
183 of Mental Health and Addiction Services not later than thirty days after
184 said commissioner's finding. Said commissioner shall assess any
185 business entity issued a dealer registration, whose authorized owner
186 fails to complete such program, a civil penalty of [three] six hundred
187 dollars for the first violation.

188 (2) Said commissioner shall assess such business entity a civil penalty
189 of [seven hundred fifty] one thousand five hundred dollars for a second
190 violation on or before twenty-four months after the date of the first
191 violation.

192 (3) For a third violation by such business entity on or before twenty-
193 four months after the date of the first violation, said commissioner shall
194 assess such business entity a civil penalty of [one] two thousand dollars
195 and notify the Commissioner of Consumer Protection that the dealer
196 registration held by such business entity under this chapter shall be
197 suspended for not less than thirty days.

198 (4) For a fourth violation on or before twenty-four months after the
199 date of the first violation, the Commissioner of Revenue Services shall
200 assess such business entity a civil penalty of [one] two thousand dollars
201 and notify the Commissioner of Consumer Protection that the dealer
202 registration held by such business entity under said chapter shall be
203 revoked. The Commissioner of Revenue Services shall order such
204 business entity to conspicuously post a notice in a public place stating
205 that electronic nicotine delivery systems and vapor products cannot be
206 sold during the period of suspension or revocation and the reasons for

207 such suspension or revocation. Any sale of an electronic nicotine
208 delivery system or vapor product by such business entity during the
209 period of such suspension or revocation shall be deemed an additional
210 violation of this section.

211 (f) (1) If the Commissioner of Revenue Services finds, after a hearing
212 pursuant to subsection (c) of this section, that (A) any business entity
213 issued a dealer registration under section 21a-415, as amended by this
214 act, has sold, given or delivered an electronic nicotine delivery system
215 or vapor product with a flavoring agent, other than tobacco flavor, that
216 has been added for the purpose of flavoring the contents of the
217 electronic nicotine delivery system or vapor product, or (B) any such
218 business entity does not possess documentation of nicotine content or
219 nicotine content that indicates a level of nicotine that is greater than
220 thirty-five milligrams per milliliter for any electronic nicotine delivery
221 system or vapor product sold, given or delivered within the retail
222 establishment of the business entity, the commissioner shall, for the first
223 violation, require the authorized owner of such business entity to
224 successfully complete an online prevention education program
225 administered by the Department of Mental Health and Addiction
226 Services not later than thirty days after said commissioner's finding.
227 Said commissioner shall assess any business entity issued a dealer
228 registration, whose authorized owner fails to complete such program, a
229 civil penalty of six hundred dollars for the first violation.

230 (2) Said commissioner shall assess such business entity a civil penalty
231 of one thousand five hundred dollars for a second violation on or before
232 twenty-four months after the date of the first violation.

233 (3) For a third violation by such business entity on or before twenty-
234 four months after the date of the first violation, said commissioner shall
235 assess such business entity a civil penalty of two thousand dollars and
236 notify the Commissioner of Consumer Protection that the dealer
237 registration held by such business entity under this chapter shall be
238 suspended for not less than thirty days.

239 (4) For a fourth violation on or before twenty-four months after the
240 date of the first violation, the Commissioner of Revenue Services shall
241 assess such business entity a civil penalty of two thousand dollars and
242 notify the Commissioner of Consumer Protection that the dealer
243 registration held by such business entity under said chapter shall be
244 revoked. The Commissioner of Revenue Services shall order such
245 business entity to conspicuously post a notice in a public place stating
246 that electronic nicotine delivery systems and vapor products cannot be
247 sold during the period of suspension or revocation and the reasons for
248 such suspension or revocation. Any sale of an electronic nicotine
249 delivery system or vapor product by such business entity during the
250 period of such suspension or revocation shall be deemed an additional
251 violation of this section.

252 [(f)] (g) Upon receipt of notice of determination from the
253 Commissioner of Revenue Services made under subsection (e) or (f) of
254 this section, the Commissioner of Consumer Protection shall suspend or
255 revoke the dealer registration of the business entity that is the subject of
256 said determination. The Commissioner of Consumer Protection shall
257 not be required to hold a hearing in connection with any notice of
258 determination received from the Commissioner of Revenue Services
259 under this section.

260 [(g)] (h) The Commissioner of Consumer Protection shall not issue a
261 new dealer registration to a former registrant whose dealer registration
262 was revoked unless the commissioner is satisfied that such business
263 entity that holds a dealer registration will comply with the provisions of
264 this chapter and any regulations related thereto, and section 53-344b, as
265 amended by this act.

266 Sec. 4. Section 12-295a of the general statutes is repealed and the
267 following is substituted in lieu thereof (*Effective January 1, 2022*):

268 (a) If the Commissioner of Revenue Services finds, after a hearing,
269 that any person employed by a dealer or distributor, as defined in
270 section 12-285, has sold, given or delivered cigarettes or tobacco

271 products to a person under twenty-one years of age other than a person
272 under twenty-one years of age who is delivering or accepting delivery
273 in such person's capacity as an employee, said commissioner shall, for
274 the first violation, require such person to successfully complete an
275 online tobacco prevention education program administered by the
276 Department of Mental Health and Addiction Services not later than
277 thirty days after said commissioner's finding. Said commissioner shall
278 assess any person who fails to complete such program a civil penalty of
279 [two] four hundred dollars. Said commissioner shall assess any person
280 employed by a dealer or distributor a civil penalty of [two hundred fifty]
281 five hundred dollars for a second or subsequent violation on or before
282 twenty-four months after the date of the first violation.

283 (b) (1) If the Commissioner of Revenue Services finds, after a hearing,
284 that any dealer or distributor has sold, given or delivered cigarettes or a
285 tobacco product to a person under twenty-one years of age other than a
286 person under twenty-one years of age who is delivering or accepting
287 delivery in such person's capacity as an employee, or such dealer or
288 distributor's employee has sold, given or delivered cigarettes or a
289 tobacco product to such person, said commissioner shall require such
290 dealer or distributor, for the first violation, to successfully complete an
291 online tobacco prevention education program administered by the
292 Department of Mental Health and Addiction Services not later than
293 thirty days after said commissioner's finding. Said commissioner shall
294 assess any dealer or distributor who fails to complete such program a
295 civil penalty of [three] six hundred dollars.

296 (2) Said commissioner shall assess any dealer or distributor a civil
297 penalty of [seven hundred fifty] one thousand five hundred dollars for
298 a second violation on or before twenty-four months after the date of the
299 first violation.

300 (3) For a third violation on or before twenty-four months after the
301 date of the first violation, said commissioner shall assess such dealer or
302 distributor a civil penalty of [one] two thousand dollars and suspend
303 any license held by such dealer or distributor under this chapter for not

304 less than thirty days.

305 (4) For a fourth violation on or before twenty-four months after the
306 date of the first violation, said commissioner shall assess such dealer or
307 distributor a civil penalty of [one] two thousand dollars and revoke any
308 license issued to such dealer or distributor under this chapter. Said
309 commissioner shall order such distributor or dealer to conspicuously
310 post a notice in a public place within such distributor's or dealer's
311 establishment stating that cigarettes and tobacco products cannot be
312 sold during the period of such suspension or revocation and the reasons
313 for such suspension or revocation. Any sale of cigarettes or a tobacco
314 product by such dealer or distributor during such suspension or
315 revocation shall be deemed an additional violation of this subsection.

316 (c) (1) If the Commissioner of Revenue Services finds, after a hearing,
317 that any owner of an establishment in which a cigarette vending
318 machine or restricted cigarette vending machine is located has sold,
319 given or delivered cigarettes or tobacco products from any such
320 machine to a person under twenty-one years of age other than a person
321 under twenty-one years of age who is delivering or accepting delivery
322 in such person's capacity as an employee, or has allowed cigarettes or
323 tobacco products to be sold, given or delivered to such person from any
324 such machine, said commissioner shall require such owner, for the first
325 violation, to successfully complete an online tobacco prevention
326 education program administered by the Department of Mental Health
327 and Addiction Services not later than thirty days after said
328 commissioner's finding. Said commissioner shall assess any owner who
329 fails to complete such program a civil penalty of [five hundred] one
330 thousand dollars.

331 (2) Said commissioner shall assess any owner a civil penalty of [seven
332 hundred fifty] one thousand five hundred dollars for a second violation
333 on or before twenty-four months after the date of the first violation.

334 (3) For a third violation on or before twenty-four months after the
335 date of the first violation, said commissioner shall assess such owner a

336 civil penalty of [one] two thousand dollars and immediately remove any
337 such machine from such establishment and no such machine may be
338 placed in such establishment for a period of one year following such
339 removal.

340 (d) Any person aggrieved by any action of the commissioner
341 pursuant to this section may take any appeal of such action as provided
342 in sections 12-311 and 12-312.

343 Sec. 5. Subsection (b) of section 53-344 of the general statutes is
344 repealed and the following is substituted in lieu thereof (*Effective January*
345 *1, 2022*):

346 (b) Any person who sells, gives or delivers to any person under
347 twenty-one years of age cigarettes or a tobacco product shall be fined
348 not more than [three] six hundred dollars for the first offense, not more
349 than [seven hundred fifty] one thousand five hundred dollars for a
350 second offense on or before twenty-four months after the date of the first
351 offense and not more than [one] two thousand dollars for each
352 subsequent offense on or before twenty-four months after the date of the
353 first offense. The provisions of this subsection shall not apply to a person
354 under twenty-one years of age who is delivering or accepting delivery
355 of cigarettes or a tobacco product (1) in such person's capacity as an
356 employee, or (2) as part of a scientific study being conducted by an
357 organization for the purpose of medical research to further efforts in
358 cigarette and tobacco product use prevention and cessation, provided
359 such medical research has been approved by the organization's
360 institutional review board, as defined in section 21a-408.

361 Sec. 6. Subsection (b) of section 53-344b of the general statutes is
362 repealed and the following is substituted in lieu thereof (*Effective January*
363 *1, 2022*):

364 (b) Any person who sells, gives or delivers to any person under
365 twenty-one years of age an electronic nicotine delivery system or vapor
366 product in any form shall be fined not more than [three] six hundred
367 dollars for the first offense, not more than [seven hundred fifty] one

368 thousand five hundred dollars for a second offense on or before twenty-
369 four months after the date of the first offense and not more than [one]
370 two thousand dollars for each subsequent offense on or before twenty-
371 four months after the date of the first offense. The provisions of this
372 subsection shall not apply to a person under twenty-one years of age
373 who is delivering or accepting delivery of an electronic nicotine delivery
374 system or vapor product (1) in such person's capacity as an employee,
375 or (2) as part of a scientific study being conducted by an organization
376 for the purpose of medical research to further efforts in tobacco use
377 prevention and cessation, provided such medical research has been
378 approved by the organization's institutional review board, as defined in
379 section 21a-408.

380 Sec. 7. Section 38a-1083 of the general statutes is repealed and the
381 following is substituted in lieu thereof (*Effective January 1, 2022*):

382 (a) For purposes of sections 38a-1080 to 38a-1093, inclusive, "purposes
383 of the exchange" means the purposes of and the pursuit of the goals of
384 the exchange expressed in and pursuant to this section and the
385 performance of the duties and responsibilities of the exchange set forth
386 in sections 38a-1084 to 38a-1087, inclusive, which are hereby determined
387 to be public purposes for which public funds may be expended. The
388 powers enumerated in this section shall be interpreted broadly to
389 effectuate the purposes of the exchange and shall not be construed as a
390 limitation of powers.

391 (b) The goals of the exchange shall be to reduce the number of
392 individuals without health insurance in this state and assist individuals
393 and small employers in the procurement of health insurance by, among
394 other services, offering easily comparable and understandable
395 information about health insurance options.

396 (c) The exchange is authorized and empowered to:

397 (1) Have perpetual succession as a body politic and corporate and to
398 adopt bylaws for the regulation of its affairs and the conduct of its
399 business;

- 400 (2) Adopt an official seal and alter the same at pleasure;
- 401 (3) Maintain an office in the state at such place or places as it may
402 designate;
- 403 (4) Employ such assistants, agents, managers and other employees as
404 may be necessary or desirable;
- 405 (5) Acquire, lease, purchase, own, manage, hold and dispose of real
406 and personal property, and lease, convey or deal in or enter into
407 agreements with respect to such property on any terms necessary or
408 incidental to the carrying out of these purposes, provided all such
409 acquisitions of real property for the exchange's own use with amounts
410 appropriated by this state to the exchange or with the proceeds of bonds
411 supported by the full faith and credit of this state shall be subject to the
412 approval of the Secretary of the Office of Policy and Management and
413 the provisions of section 4b-23;
- 414 (6) Receive and accept, from any source, aid or contributions,
415 including money, property, labor and other things of value;
- 416 (7) Charge assessments or user fees to health carriers that are capable
417 of offering a qualified health plan through the exchange or otherwise
418 generate funding necessary to support the operations of the exchange
419 and the all-payer claims database program established under section
420 19a-755a and impose interest and penalties on such health carriers for
421 delinquent payments of such assessments or fees;
- 422 (8) Procure insurance against loss in connection with its property and
423 other assets in such amounts and from such insurers as it deems
424 desirable;
- 425 (9) Invest any funds not needed for immediate use or disbursement
426 in obligations issued or guaranteed by the United States of America or
427 the state and in obligations that are legal investments for savings banks
428 in the state;
- 429 (10) Issue bonds, bond anticipation notes and other obligations of the

430 exchange for any of its corporate purposes, and to fund or refund the
431 same and provide for the rights of the holders thereof, and to secure the
432 same by pledge of revenues, notes and mortgages of others;

433 (11) Borrow money for the purpose of obtaining working capital;

434 (12) Account for and audit funds of the exchange and any recipients
435 of funds from the exchange;

436 (13) Make and enter into any contract or agreement necessary or
437 incidental to the performance of its duties and execution of its powers,
438 including, but not limited to, an agreement with the Office of Health
439 Strategy to use funds collected under this section for the operation of
440 the all-payer claims database established under section 19a-755a and to
441 receive data from such database. The contracts entered into by the
442 exchange shall not be subject to the approval of any other state
443 department, office or agency, provided copies of all contracts of the
444 exchange shall be maintained by the exchange as public records, subject
445 to the proprietary rights of any party to the contract, except any
446 agreement with the Office of Health Strategy shall be subject to approval
447 by said office and the Office of Policy and Management and no portion
448 of such agreement shall be considered proprietary;

449 (14) To the extent permitted under its contract with other persons,
450 consent to any termination, modification, forgiveness or other change of
451 any term of any contractual right, payment, royalty, contract or
452 agreement of any kind to which the exchange is a party;

453 (15) Award grants to trained and certified individuals and
454 institutions that will assist individuals, families and small employers
455 and their employees in enrolling in appropriate coverage through the
456 exchange. Applications for grants from the exchange shall be made on
457 a form prescribed by the board;

458 (16) Limit the number of plans offered, and use selective criteria in
459 determining which plans to offer, through the exchange, provided
460 individuals and employers have an adequate number and selection of

461 choices;

462 (17) Evaluate jointly with the Health Care Cabinet established
463 pursuant to section 19a-725 the feasibility of implementing a basic
464 health program option as set forth in Section 1331 of the Affordable Care
465 Act;

466 (18) Establish one or more subsidiaries, in accordance with section
467 38a-1093, to further the purposes of the exchange;

468 (19) Make loans to each subsidiary established pursuant to section
469 38a-1093 from the assets of the exchange and the proceeds of bonds,
470 bond anticipation notes and other obligations issued by the exchange or
471 assign or transfer to such subsidiary any of the rights, moneys or other
472 assets of the exchange, provided such assignment or transfer is not in
473 violation of state or federal law;

474 (20) Sue and be sued, plead and be impleaded;

475 (21) Adopt regular procedures that are not in conflict with other
476 provisions of the general statutes, for exercising the power of the
477 exchange; and

478 (22) Do all acts and things necessary and convenient to carry out the
479 purposes of the exchange, provided such acts or things shall not conflict
480 with the provisions of the Affordable Care Act, regulations adopted
481 thereunder or federal guidance issued pursuant to the Affordable Care
482 Act.

483 (d) (1) The chief executive officer of the exchange shall provide to the
484 commissioner the name of any health carrier that fails to pay any
485 assessment or user fee under subdivision (7) of subsection (c) of this
486 section to the exchange. The commissioner shall see that all laws
487 respecting the authority of the exchange pursuant to said subdivision
488 (7) are faithfully executed. The commissioner has all the powers
489 specifically granted under this title and all further powers that are
490 reasonable and necessary to enable the commissioner to enforce the

491 provisions of said subdivision (7).

492 (2) Any health carrier aggrieved by an administrative action taken by
493 the commissioner under subdivision (1) of this subsection may appeal
494 therefrom in accordance with the provisions of section 4-183, except
495 venue for such appeal shall be in the judicial district of New Britain.

496 Sec. 8. Section 38a-47 of the general statutes is repealed and the
497 following is substituted in lieu thereof (*Effective January 1, 2022*):

498 (a) All domestic insurance companies and other domestic entities
499 subject to taxation under chapter 207 shall, in accordance with section
500 38a-48, annually pay to the Insurance Commissioner, for deposit in the
501 Insurance Fund established under section 38a-52a, an amount equal to:

502 (1) The actual expenditures made by the Insurance Department
503 during each fiscal year, and the actual expenditures made by the Office
504 of the Healthcare Advocate, including the cost of fringe benefits for
505 department and office personnel as estimated by the Comptroller;

506 (2) The amount appropriated to the Office of Health Strategy from
507 the Insurance Fund for the fiscal year, including the cost of fringe
508 benefits for office personnel as estimated by the Comptroller shall be
509 reduced by the amount of federal reimbursement received for allowable
510 Medicaid administrative expenses;

511 (3) The expenditures made on behalf of the department and said
512 offices from the Capital Equipment Purchase Fund pursuant to section
513 4a-9 for such year, but excluding such estimated expenditures made on
514 behalf of the Health Systems Planning Unit of the Office of Health
515 Strategy; and

516 (4) The amount appropriated to the Department of Aging and
517 Disability Services for the fall prevention program established in section
518 17a-303a from the Insurance Fund for the fiscal year.

519 (b) The expenditures and amounts specified in subdivisions (1) to (4),
520 inclusive, of subsection (a) of this section shall exclude expenditures

521 paid for by fraternal benefit societies, foreign and alien insurance
 522 companies and other foreign and alien entities under sections 38a-49
 523 and 38a-50.

524 (c) Payments shall be made by assessment of all such domestic
 525 insurance companies and other domestic entities calculated and
 526 collected in accordance with the provisions of section 38a-48. Any such
 527 domestic insurance company or other domestic entity aggrieved
 528 because of any assessment levied under this section may appeal
 529 therefrom in accordance with the provisions of section 38a-52.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2022</i>	21a-415(a)
Sec. 2	<i>January 1, 2022</i>	New section
Sec. 3	<i>January 1, 2022</i>	21a-415b
Sec. 4	<i>January 1, 2022</i>	12-295a
Sec. 5	<i>January 1, 2022</i>	53-344(b)
Sec. 6	<i>January 1, 2022</i>	53-344b(b)
Sec. 7	<i>January 1, 2022</i>	38a-1083
Sec. 8	<i>January 1, 2022</i>	38a-47

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]