



General Assembly

January Session, 2023

Raised Bill No. 1154

LCO No. 4664



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
AUDITORS OF PUBLIC ACCOUNTS.***

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

1 Section 1. Subdivision (13) of subsection (b) of section 1-210 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2023*):

4 (13) Records of an investigation or the name of an employee
5 providing information under the provisions of section 4-61dd or
6 sections 4-276 to 4-280, inclusive, or of any complaint made pursuant to
7 section 4-61dd;

8 Sec. 2. Subdivision (1) of subsection (e) of section 14-44 of the general
9 statutes is repealed and the following is substituted in lieu thereof
10 (*Effective October 1, 2023*):

11 (e) (1) Prior to issuing an operator's license bearing a public passenger
12 endorsement pursuant to subsection (a) of this section, the
13 Commissioner of Motor Vehicles shall require each applicant to submit

14 to state and national criminal history records checks, conducted in
15 accordance with section 29-17a. The Commissioner of Motor Vehicles
16 may subsequently require a person who has been issued an operator's
17 license with a public passenger endorsement to operate a school bus or
18 student transportation vehicle to submit to such state and national
19 criminal history records checks periodically, including, but not limited
20 to, prior to any renewal of such license. The Commissioner of
21 Emergency Services and Public Protection shall complete such state and
22 national criminal history records checks required pursuant to this
23 section within sixty days of receiving such a request for a check of such
24 records. If notice of a state or national criminal history record is received,
25 the Commissioner of Motor Vehicles may, subject to the provisions of
26 section 46a-80, refuse to issue an operator's license bearing such public
27 passenger endorsement and, in such case, shall immediately notify the
28 applicant, in writing, of such refusal. Each applicant for a public
29 passenger endorsement to operate a school bus or student
30 transportation vehicle shall submit to a check of the state child abuse
31 and neglect registry established pursuant to section 17a-101k. If
32 notification that the applicant is listed as a perpetrator of abuse on the
33 state child abuse and neglect registry is received, the Commissioner of
34 Motor Vehicles may refuse to issue an operator's license bearing such
35 public passenger endorsement and, in such case, shall immediately
36 notify the applicant, in writing, of such refusal. The Commissioner of
37 Motor Vehicles shall not issue a temporary operator's license bearing a
38 public passenger endorsement for operation of a school bus or student
39 transportation vehicle.

40 Sec. 3. Subsections (b) and (c) of section 7-395 of the general statutes
41 are repealed and the following is substituted in lieu thereof (*Effective*
42 *October 1, 2023*):

43 (b) If, upon such review of the audit report, the secretary finds (1) that
44 such audit has not been prepared in accordance with subsection (a) of
45 section 7-394a, and the municipality, regional school district or audited
46 agency did not request permission to have the audit report prepared in
47 a manner not in compliance with said subsection; or (2) evidence of

48 unsound or irregular financial practices or management letter
49 comments or lack of internal controls in relation to commonly accepted
50 standards in municipal finance, then the secretary shall prepare a report
51 concerning such finding, including, but not limited to, information to
52 aid in the evaluation of such finding and recommendations for
53 corrective action. The secretary shall submit such report to (A) the
54 Municipal Finance Advisory Commission established pursuant to
55 section 7-394b; (B) the Auditors of Public Accounts; and (C) the chief
56 executive officer and clerk of the municipality, superintendent of
57 schools for the regional school district or chief executive officer of the
58 audited agency.

59 (c) Upon receipt of a report submitted pursuant to subsection (b) of
60 this section, the legislative body of the municipality, or in a municipality
61 where the legislative body is a town meeting, the board of selectmen, or
62 if the report involves a school district operating within its boundaries,
63 the regional board of education, shall hold a public meeting to discuss
64 the nature of the unsound or irregular financial practices, management
65 letter comments or lack of internal controls in relation to commonly
66 accepted standards in municipal finance, to address potential causes for
67 such practices, comments or lack of internal controls and to inform
68 proposing a plan for corrective action. After such meeting, the chief
69 executive officer of a municipality or audited agency or superintendent
70 of schools for the regional school district shall attest to and explain the
71 secretary's findings and submit a plan for corrective action, in writing,
72 to the secretary.

73 Sec. 4. Subsections (c) and (d) of section 3-115b of the general statutes
74 are repealed and the following is substituted in lieu thereof (*Effective*
75 *October 1, 2023*):

76 (c) The Comptroller shall establish an opening combined balance
77 sheet for each appropriated fund as of July 1, 2013, on the basis of
78 generally accepted accounting principles. The accumulated deficit in the
79 General Fund on June 30, 2013, as determined on the basis of generally
80 accepted accounting principles and identified in the annual

81 comprehensive [annual] financial report of the state as the unassigned
82 negative balance of the General Fund on said date, reduced by any
83 funds deposited in the General Fund from other resources for the
84 purpose of reducing the negative unassigned balance of the fund, shall
85 be amortized in each fiscal year of each biennial budget, commencing
86 with the fiscal year ending June 30, 2016, and for the succeeding twelve
87 fiscal years. The Comptroller shall, to the extent necessary to report the
88 fiscal position of the state in accordance with generally accepted
89 accounting principles, reconcile the unassigned balance in the General
90 Fund at the end of each fiscal year to the unassigned balance in the
91 General Fund on June 30, 2013, the portion already amortized and any
92 unassigned balance created after June 30, 2013. The Secretary of the
93 Office of Policy and Management shall annually publish a
94 recommended amortization schedule to fully reduce such negative
95 unassigned balance by June 30, 2028.

96 (d) The unreserved negative balance in the General Fund reported in
97 the annual comprehensive [annual] financial report issued by the
98 Comptroller for the fiscal year ending June 30, 2014, reduced by (1) the
99 negative unassigned balance in the General Fund for the fiscal year
100 ending June 30, 2013, and (2) any funds from other resources deposited
101 in the General Fund for the purpose of reducing the negative
102 unassigned balance of the fund shall be amortized in each fiscal year of
103 each biennial budget, commencing with the fiscal year ending June 30,
104 2018, and for the succeeding ten fiscal years. The Secretary of the Office
105 of Policy and Management shall annually publish a recommended
106 amortization schedule to fully reduce such negative unassigned balance
107 by June 30, 2028.

108 Sec. 5. Section 4-72 of the general statutes is repealed and the
109 following is substituted in lieu thereof (*Effective October 1, 2023*):

110 (a) The budget document shall consist of the Governor's budget
111 message in which he or she shall set forth as follows: (1) The Governor's
112 program for meeting all the expenditure needs of the government for
113 each fiscal year of the biennium to which the budget relates, indicating

114 the classes of funds, general or special, from which such appropriations
115 are to be made and the means through which such expenditure shall be
116 financed; and (2) financial statements giving in summary form: (A) The
117 financial position of all major state operating funds including revolving
118 funds at the end of the last-completed fiscal year in a form consistent
119 with accepted accounting practice. The Governor shall also set forth in
120 similar form the estimated position of each such fund at the end of the
121 year in progress and the estimated position of each such fund at the end
122 of each fiscal year of the biennium to which the budget relates if the
123 Governor's proposals are put into effect; (B) a statement showing as of
124 the close of the last-completed fiscal year, a year by year summary of all
125 outstanding general obligation and special tax obligation debt of the
126 state and a statement showing the yearly interest requirements on such
127 outstanding debt; (C) a summary of appropriations recommended for
128 each fiscal year of the biennium to which the budget relates for each
129 budgeted agency and for the state as a whole in comparison with actual
130 expenditures of the last-completed fiscal year and appropriations and
131 estimated expenditures for the year in progress; (D) for the biennium
132 commencing July 1, 1999, and each biennium thereafter, a summary of
133 estimated expenditures for certain fringe benefits for each fiscal year of
134 the biennium to which the budget relates for each budgeted agency; (E)
135 a summary of permanent full-time positions setting forth the number
136 filled and the number vacant as of the end of the last-completed fiscal
137 year, the total number intended to be funded by appropriations without
138 reduction for turnover for the fiscal year in progress, the total number
139 requested and the total number recommended for each fiscal year of the
140 biennium to which the budget relates; (F) a statement of expenditures
141 for the last-completed and current fiscal years, the agency request and
142 the Governor's recommendation for each fiscal year of the ensuing
143 biennium and, for any new or expanded program, estimated
144 expenditure requirements for the fiscal year next succeeding the
145 biennium to which the budget relates; (G) an explanation of any
146 significant program changes requested by the agency or recommended
147 by the Governor; (H) a summary of the revenue estimated to be received
148 by the state during each fiscal year of the biennium to which the budget

149 relates classified according to sources in comparison with the actual
150 revenue received by the state during the last-completed fiscal year and
151 estimated revenue during the year in progress; and (I) such other
152 financial statements, data and comments as in the Governor's opinion
153 are necessary or desirable in order to make known in all practicable
154 detail the financial condition and operations of the government and the
155 effect that the budget as proposed by the Governor will have on such
156 condition and operations.

157 (b) If the estimated revenue of the state for the ensuing biennium as
158 set forth in the budget on the basis of existing statutes is less than the
159 sum of net appropriations recommended for the ensuing biennium as
160 contained in the budget, plus, for the fiscal year ending June 30, 2014,
161 and each fiscal year thereafter, the projected amount necessary to
162 extinguish any unreserved negative balance in such fund as reported in
163 the most recently audited annual comprehensive [annual] financial
164 report issued by the Comptroller prior to the start of the biennium, the
165 Governor shall make recommendations to the General Assembly in
166 respect to the manner in which such deficit shall be met, whether by an
167 increase in the indebtedness of the state, by the imposition of new taxes,
168 by increased rates on existing taxes or otherwise. If the aggregate of such
169 estimated revenue is greater than the sum of such recommended
170 appropriations for the ensuing biennium plus, for the fiscal year ending
171 June 30, 2014, and each fiscal year thereafter, the projected amount
172 necessary to extinguish any unreserved negative balance in such fund
173 as reported in the most recently issued annual report of the Comptroller
174 published in accordance with section 3-115, the Governor shall make
175 such recommendations for the use of such surplus for the reduction of
176 indebtedness, for the reduction in taxation or for other purposes as in
177 the Governor's opinion are in the best interest of the public welfare.

178 Sec. 6. Subsection (a) of section 8-169mm of the general statutes is
179 repealed and the following is substituted in lieu thereof (*Effective October*
180 *1, 2023*):

181 (a) In lieu of the report required under section 1-123, within the first

182 ninety days of each fiscal year of the Connecticut Municipal
183 Redevelopment Authority, the board of directors of the authority shall
184 submit a report to the Governor, the Auditors of Public Accounts and
185 the joint standing committee of the General Assembly having
186 cognizance of matters relating to finance, revenue and bonding. Such
187 report shall include, but not be limited to, the following: (1) A list of all
188 bonds issued during the preceding fiscal year, including, for each such
189 issue, the financial advisor and underwriters, whether the issue was
190 competitive, negotiated or privately placed, and the issue's face value
191 and net proceeds; (2) a description of each authority development
192 project in which the authority is involved, its location and the amount
193 of funds, if any, provided by the authority with respect to the
194 construction of such project; (3) a list of all outside individuals and
195 firms, including principal and other major stockholders, receiving in
196 excess of five thousand dollars as payments for services; (4) [a] an
197 annual comprehensive [annual] financial report prepared in accordance
198 with generally accepted accounting principles for governmental
199 enterprises; (5) the cumulative value of all bonds issued, the value of
200 outstanding bonds and the amount of the state's contingent liability; (6)
201 the affirmative action policy adopted pursuant to section 8-169kk, a
202 description of the composition of the workforce of the Connecticut
203 Municipal Redevelopment Authority by race, sex and occupation and a
204 description of the affirmative action efforts of the authority; and (7) a
205 description of planned activities for the current fiscal year.

206 Sec. 7. Subsection (a) of section 15-120o of the general statutes is
207 repealed and the following is substituted in lieu thereof (*Effective October*
208 *1, 2023*):

209 (a) Within the first ninety days of each fiscal year of the authority, the
210 board of directors of the authority shall submit a report to the Governor,
211 the Auditors of Public Accounts and the joint standing committee of the
212 General Assembly having cognizance of matters relating to finance,
213 revenue and bonding. Such report shall include, but not be limited to,
214 the following: (1) A list of all bonds issued during the preceding fiscal
215 year, including, for each such issue, the financial advisor and

216 underwriters, whether the issue was competitive, negotiated or
217 privately placed, and the issue's face value and net proceeds; (2) a
218 description of the project, its location, and the amount of funds, if any,
219 provided by the authority with respect to the construction of the project;
220 (3) a list of all outside individuals and firms receiving in excess of five
221 thousand dollars in the form of loans, grants or payments for services;
222 (4) [a] an annual comprehensive [annual] financial report prepared in
223 accordance with generally accepted accounting principles for
224 governmental enterprises; (5) the cumulative value of all bonds issued,
225 the value of outstanding bonds, and the amount of the state's contingent
226 liability; (6) the affirmative action policy statement, a description of the
227 composition of the work force of the authority by race, sex and
228 occupation and a description of the affirmative action efforts of the
229 authority; and (7) a description of planned activities for the current fiscal
230 year.

231 Sec. 8. Subsection (a) of section 32-605 of the general statutes is
232 repealed and the following is substituted in lieu thereof (*Effective October*
233 *1, 2023*):

234 (a) In lieu of the report required under section 1-123, within the first
235 ninety days of each fiscal year of the Capital Region Development
236 Authority, the board of directors of the authority shall submit a report
237 to the Governor, the Auditors of Public Accounts and the joint standing
238 committee of the General Assembly having cognizance of matters
239 relating to finance, revenue and bonding. Such report shall include, but
240 not be limited to, the following: (1) A list of all bonds issued during the
241 preceding fiscal year, including, for each such issue, the financial
242 advisor and underwriters, whether the issue was competitive,
243 negotiated or privately placed, and the issue's face value and net
244 proceeds; (2) a description of the capital city project or any economic
245 development project in the capital region in which the authority is
246 involved, its location and the amount of funds, if any, provided by the
247 authority with respect to the construction of such project; (3) a list of all
248 outside individuals and firms, including principal and other major
249 stockholders, receiving in excess of five thousand dollars as payments

250 for services; (4) [a] an annual comprehensive [annual] financial report
 251 prepared in accordance with generally accepted accounting principles
 252 for governmental enterprises; (5) the cumulative value of all bonds
 253 issued, the value of outstanding bonds and the amount of the state's
 254 contingent liability; (6) the affirmative action policy statement, a
 255 description of the composition of the work force of the authority by race,
 256 sex and occupation and a description of the affirmative action efforts of
 257 the authority; (7) a description of planned activities for the current fiscal
 258 year; (8) a list of all private investments made or committed for
 259 commercial development within the capital city economic development
 260 district; and (9) an analysis of the authority's success in achieving the
 261 purposes stated in section 32-602.

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|---|------------------------|-------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2023</i> | 1-210(b)(13) |
| Sec. 2 | <i>October 1, 2023</i> | 14-44(e)(1) |
| Sec. 3 | <i>October 1, 2023</i> | 7-395(b) and (c) |
| Sec. 4 | <i>October 1, 2023</i> | 3-115b(c) and (d) |
| Sec. 5 | <i>October 1, 2023</i> | 4-72 |
| Sec. 6 | <i>October 1, 2023</i> | 8-169mm(a) |
| Sec. 7 | <i>October 1, 2023</i> | 15-120o(a) |
| Sec. 8 | <i>October 1, 2023</i> | 32-605(a) |

Statement of Purpose:

To implement the recommendations of the Auditors of Public Accounts contained in their 2022 annual report, including to exempt the disclosure of whistleblower complaints received by the auditors, authorize the Department of Motor Vehicles to conduct periodic background checks of school bus and student transportation vehicle drivers, require the local legislative body or regional board of education to hold a public meeting before submitting a corrective action plan regarding certain audits and replace references to "comprehensive annual financial reports" with "annual comprehensive financial reports".

[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.]