Government Administration and Elections Committee
JOINT FAVORABLE REPORT

Bill No: SB-486 / Bill Status / Public Hearing Testimony
Title: AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES CONCERNING CRIMINAL BACKGROUND CHECKS OF EMPLOYEES WITH ACCESS TO TAX RECORDS.
Vote Date: 3/23/2026
Vote Action: Joint Favorable
PH Date: 3/18/2026
File No.:

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SPONSORS OF BILL:

The Government Administration and Elections Committee

REASONS FOR BILL:

The Federal Government instituted new requirements for background checks and the State of Connecticut has to pass new statutes to be in compliance. The FBI who manages the system notified Connecticut of these new requirements and the state has been granted an extension until the end of 2026.

RESPONSE FROM ADMINISTRATION/AGENCY:

External Affairs Division, Judicial Branch – submitted written testimony stating that the Judicial Branch takes no position on the policies furthered by the bill. They request clarification of Section 1(a). Currently, the Judicial Branch, through their HR Management Unit with the Court Operations Division, is responsible for background checks on employees with access to tax records. The proposed language removes the existing limitation that ties the Dept, of Administrative Services role in which it serves as the human resource provider for an employing agency. By removing this limitation and not defining "agency", the bill may require DAS to conduct background checks on Judicial Branch employees with access to federal tax information. Should this be the intention of the proponents of the bill, this could impact the efficient processing and introduce additional administrative steps that may delay the completion of required background checks.

DAS, DESPP, DOL, DSS – submitted joint testimony in support of the bill because the proposal outlines the statutory changes needed for the State of Connecticut to achieve compliance with federal regulations. The FBI manages the National Criminal Background

Records (NCBR) system. Anyone processing federal tax information must conduct an NCBR search. Due to sensitive information the FBI grants access to the system only to entities authorized by statute. The FBI has notified CT that additional statutory changes are necessary to meet federal requirements and have granted CT an extension until the end of 2026. The proposed language will allow DAS Bureau of Information Technology Solutions employees the required statutory authority to continue this work. Without the change, access to NCBR will be suspended resulting in costly restructuring and service disruptions. This proposal has been reviewed by the State Police, DSS and DOL and codifies current practices.

NATURE AND SOURCES OF SUPPORT:

None Expressed.

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

GENERAL COMMENTS:

Bonnie Stewart, CEO-Connecticut Society of CPAs – submitted written testimony noting that the CPA profession fully supports the effort to align state practice with IRS expectations. However, there are concerns that the bill, as drafted, could be interpreted broadly enough to require recurring criminal background checks for large numbers of CPAs in firms that advise the state, even where those individuals do not have direct access to Federal Tax Information (FTI). She urges the Committee to focus on actual access to FTI and not merely being employed by a firm that has a contract involving tax work and focus on requirements that apply to individuals whose duties require them to work with FTI. Licensed CPAs already operate under a layered set of safeguards that continuously address the same kinds of risks this bill seeks to mitigate. The CPA profession has mechanisms in place that provide ongoing integrity and a structured system for controlling who can access confidential information, including tax data. She further states that there are concerns with an overly broad five-year recheck requirement. The bill as drafted would impose recurring screening on licensed professionals whose suitability is already monitored through licensure and firm practices and create significant cost and administrative burden for firms, potentially discouraging small and medium-sized firms from bidding on state work. The CPA profession urges the Committee to refine the bill to tie the requirement explicitly to actual FTI access; recognize licensure and professional oversight as part of the safeguard framework and allow risk-based structuring of engagements. Ms. Stewart provides further explanations of their request in the testimony.

Reported by: Jacqueline Olsen **Date: 3/30/26**