

SUMMARY OF 2014 PUBLIC ACTS

Connecticut General Assembly

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TABLE OF CONTENTS

| | |
|---|-----|
| Notice to Users | ii |
| Vetoed Public Acts | iii |
| Table on Penalties..... | v |
| Emergency Certification..... | 1 |
| Aging Committee..... | 59 |
| Appropriations Committee | 63 |
| Banks Committee..... | 65 |
| Children, Committee on..... | 85 |
| Commerce Committee | 97 |
| Education Committee | 101 |
| Energy and Technology Committee | 131 |
| Environment Committee..... | 147 |
| Finance, Revenue and Bonding Committee..... | 169 |
| General Law Committee..... | 201 |
| Government Administration and Elections Committee | 219 |
| Higher Education and Employment Advancement Committee | 243 |
| Housing Committee | 251 |
| Human Services Committee | 253 |
| Insurance and Real Estate Committee | 263 |
| Judiciary Committee | 297 |
| Labor and Public Employees Committee..... | 337 |
| Planning and Development Committee | 343 |
| Program Review and Investigations Committee..... | 349 |
| Public Health Committee..... | 355 |
| Public Safety and Security Committee | 385 |
| Transportation Committee | 393 |
| Veterans' Affairs Committee | 415 |
| Index by Subject | 421 |
| Index by PA Number | 475 |

NOTICE TO USERS

This publication, *Summary of 2014 Public Acts*, summarizes all public acts passed during the 2014 Regular Session of the Connecticut General Assembly. Special acts are not summarized.

Use of this Book

The Office of Legislative Research encourages dissemination of this material by photocopying, reprinting in newspapers (either verbatim or edited), or by other means. Please credit the Office of Legislative Research when republishing the summaries.

The office strongly discourages using the summaries as a substitute for the public acts. The summaries are meant to be handy reference tools, not substitutes for the text. The public acts are available in public libraries and can be purchased from the secretary of the state. They are also available online from the Connecticut General Assembly's Website (<http://www.cga.ct.gov>).

Organization of the Book

The summaries are organized in chapters based on the committee that sponsored the bill. Bills sent directly to the floor without committee action (emergency certification) are placed in a separate chapter. Within each chapter, summaries are arranged in order by public act number.

2014 VETOED ACTS

1. PA 14-58, An Act Implementing the Recommendations of the Legislative Program Review and Investigations Committee Concerning the Reporting of Certain Data by Managed Care Organizations and Health Insurance Companies to the Insurance Department (Program Review and Investigations Committee)
2. PA 14-96, An Act Concerning the Consideration of Property Values when Determining Eligibility for a Certain Property Tax Relief Program (Planning and Development Committee)
3. PA 14-125, An Act Concerning a Property Owner's Liability for the Expenses of Removing a Fallen Tree or Limb (Judiciary Committee)
4. PA 14-171, An Act Increasing the Cap on the Neighborhood Assistance Act Tax Credit Program (Commerce Committee)
5. PA 14-190, An Act Establishing a Season for the Taking of Glass Eels (Environment Committee)
6. PA 14-209, An Act Concerning Administrative Hearings Conducted by the Department of Social Services (Human Services Committee)
7. PA 14-218, An Act Concerning Payment of the Costs of Certification for a Police Officer (Public Safety and Security Committee)
8. PA 14-230, An Act Concerning Minor Revisions to the Education Statutes (Education Committee)

TABLE ON PENALTIES

Crimes

The law authorizes courts to impose fines, imprisonment, or both when sentencing a convicted criminal. For most crimes, the court may also impose a probation term. For eligible offenders, the court may order participation in various programs, such as accelerated rehabilitation or the pretrial alcohol education program, and dismiss the charges upon the offender's successful completion of the program.

When sentencing an offender to prison, the judge must specify a period of incarceration. The prison terms below represent the range within which a judge must set the sentence. A judge may suspend all or part of a sentence unless the statute specifies it is a mandatory minimum sentence. The judge also sets the exact amount of a fine, up to the established limits listed below. Repeated or persistent offenses may result in a higher maximum than specified here

| <i>Classification of Crime</i> | <i>Imprisonment</i> | <i>Fine</i> |
|---|-----------------------|----------------|
| Class A felony (murder with special circumstances) | Life, without release | up to \$20,000 |
| Class A felony (murder) | 25 to 60 years | up to 20,000 |
| Class A felony (aggravated sexual assault of a minor) | 25 to 50 years | up to 20,000 |
| Class A felony | 10 to 25 years | up to 20,000 |
| Class B felony (1 st degree manslaughter with a firearm) | 5 to 40 years | up to 15,000 |
| Class B felony | 1 to 20 years | up to 15,000 |
| Class C felony | 1 to 10 years | up to 10,000 |
| Class D felony | up to 5 years | up to 5,000 |
| Class E felony | up to 3 years | up to 3,500 |
| Class A misdemeanor | up to 1 year | up to 2,000 |
| Class B misdemeanor | up to 6 months | up to 1,000 |
| Class C misdemeanor | up to 3 months | up to 500 |
| Class D misdemeanor | up to 30 days | up to 250 |

Violations

CGS § 53a-43 authorizes the Superior Court to fix fines for violations up to a maximum of \$500 unless the amount of the fine is specified in the statute establishing the violation. CGS § 54-195 requires the court to impose a fine of up to \$100 on anyone convicted of violating any statute without a specified penalty.

A violation is not a crime. Most statutory violations are subject to Infractions Bureau procedures which allow the accused to pay the fine by mail without making a court appearance. As with an infraction, the bureau will enter a *nolo contendere* (no contest) plea on behalf of anyone who pays a fine in this way. The plea is inadmissible in any criminal or civil court proceeding against the accused.

Infractions

Infractions are punishable by fines, usually set by Superior Court judges, of between \$35 and \$90, plus a \$20 or \$35 surcharge and an additional fee based on the amount of the fine. There may be other added charges depending upon the type of infraction. For example, certain motor vehicle infractions trigger a Transportation Fund surcharge of 50% of the fine. With the various additional charges the total amount due can be over \$300 but often is less than \$100.

An infraction is not a crime; and violators can pay the fine by mail without making a court appearance.

EMERGENCY CERTIFICATION

PA 14-47—HB 5596
Emergency Certification

AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2015

SUMMARY: This act modifies appropriations and revenue estimates for FY 15. The previous appropriations were adopted in 2013 as part of the 2014-2015 biennial state budget. Among other things, the act:

1. reduces net General Fund appropriations for FY 15,
2. modifies certain FY 15 budgeted lapses,
3. carries forward unspent balances from FY 14 appropriations and directs funds to be spent in FY 15 for specific programs and purposes,
4. specifies each municipality’s Education Cost Sharing (ECS) grant, and
5. transfers \$25 million from the Connecticut Student Loan Foundation’s (CSLF) assets for various purposes.

The act also makes various state tax and revenue changes. Among other things, it:

1. delays, by one month, the effective date of a sales and use tax exemption on clothing and footwear costing less than \$50;
2. beginning April 1, 2015, exempts nonprescription drugs and medicines from the sales and use tax;
3. exempts a portion of state teacher pension income from the income tax; and
4. repeals the authorization for the state to operate keno as a lottery game.

EFFECTIVE DATE: July 1, 2014, unless otherwise noted below.

§§ 1-44, 30-31, & 65 — FY 15 BUDGET ADJUSTMENTS

The act modifies FY 15 appropriations for state agency operations and programs in seven of the state’s 10 appropriated funds, as shown in Table 1. (PA 14-217 (§§ 80 & 231-233) adjusts certain FY 15 General Fund appropriations, resulting in a \$526,814 net increase.)

Table 1: Changes in FY 15 Net Appropriations, by Fund*

| § | Fund | FY 15 Net Appropriation | | |
|---|--|-------------------------|------------------|----------------------|
| | | Prior Law | Act | Increase (Reduction) |
| 1 | General Fund | \$17,497,560,861 | \$17,457,150,607 | (\$40,410,254)* |
| 2 | Special Transportation Fund (STF) | 1,322,312,395 | 1,321,563,162 | (749,233) |
| 3 | Regional Market Operation Fund | 941,498 | 1,029,273 | 87,775 |
| 4 | Banking Fund | 27,845,849 | 28,791,624 | 945,775 |
| 5 | Insurance Fund | 31,968,453 | 68,344,562 | 36,376,109 |
| 6 | Consumer Counsel and Public Utility Control Fund | 25,384,201 | 25,589,345 | 205,144 |
| 7 | Workers’ Compensation Fund | 24,789,229 | 26,157,484 | 1,368,255 |

* PA 14-217 (§§ 80 & 231-233) changes the net appropriation total for the General Fund to (\$39,883,440).

It also modifies the FY 15 budgeted lapses for General Fund, personal services, and “other expenses” expenditures, as shown in Table 2. As under prior law, the Office of Policy and Management (OPM) secretary must recommend spending reductions in each government branch to reduce these expenditures. The provision concerning personal services reductions does not apply to the higher education constituent units.

Table 2: Changes in FY 15 Budgeted Lapses for General Fund, Personal Services, and Other Expenses

| Branch | General Fund | | Personal Services | | Other Expenses | |
|-------------|--------------|-------------|-------------------|-------------|----------------|-----|
| | Prior Law | Act | Prior Law | Act | Prior Law | Act |
| Executive | \$13,785,503 | \$9,678,316 | \$16,675,121 | \$8,060,000 | \$3,312,000 | \$0 |
| Legislative | 56,251 | 39,492 | 579,285 | 280,000 | 140,000 | 0 |
| Judicial | 401,946 | 282,192 | 3,434,330 | 1,600,000 | 548,000 | 0 |

§§ 8, 10, 12, 14-17, 24, & 40 — FUNDS CARRIED FORWARD

The act carries forward funds from FY 14 to FY 15 for the purposes shown in Table 3.

Table 3: Funds Carried Forward to FY 15

| § | From FY 14 | | To FY 15 | | Amount |
|--------|--|--------------------------------|------------------------|---|-----------------|
| | Agency | Purpose | Agency | Purpose | |
| 8 | Secretary of the State | Personal Services | Secretary of the State | Other Expenses — programming costs for the online business registration system | \$60,000 |
| 10 | Department of Housing (DOH) | Housing/Homeless Services | DOH | <ul style="list-style-type: none"> \$1 million for rental assistance \$650,000 for rapid rehousing | 1,650,000 |
| 12 | Soldiers', Sailors' and Marines' Fund (SSMF) | Personal Services | SSMF | Same, but the comptroller must record such FY 15 expenditures in FY 14 | Unspent balance |
| 14 | Department of Energy and Environmental Protection (DEEP) | Emergency Spill Response | DEEP | Other Expenses — marketing costs for a free park admission weekend | 40,000 |
| 15 | Department of Revenue Services (DRS) | Personal Services | DRS | Other Expenses — modifications to tax systems and forms related to changes to the Connecticut Higher Education Trust (CHET) plans and the implementation of the CHET Baby Scholars program | 80,000 |
| 16 | DEEP | Solid Waste Management | DEEP | Updating the state's comprehensive materials management strategy | 600,000 |
| 17 (a) | Office of Early Childhood (OEC) | School Readiness | OEC | Other Expenses — developing a statewide universal prekindergarten (pre-k) plan | 450,000 |
| 17 (b) | DOH | Tax Relief for Elderly Renters | OEC | School Readiness Quality Enhancement — district and regional universal pre-k planning grants | 600,000 |
| 17 (c) | OEC | Child Care Services | OEC | School Readiness — startup costs for additional pre-k seats in districts eligible for school readiness competitive grants | 1,000,000 |
| 17 (d) | DOH | Tax Relief for Elderly Renters | OEC | School Readiness — startup costs for additional pre-k seats in districts eligible for school readiness competitive grants | 275,000 |
| 24 | Department of Labor (DOL) | Workforce Investment Act | DOL | Personal Services | 1,345,600 |
| 40 | Department of Social Services (DSS) | Medicaid | State Comptroller | <ul style="list-style-type: none"> \$170,000 for Personal Services \$186,000 for Other Expenses \$13,000 for State Comptroller—Fringe Benefits, for Employers Social Security Tax \$31,000 for State Comptroller—Fringe Benefits, for State Employees Health Service Cost to fund a market feasibility study and support a public retirement plan for Connecticut employers | 400,000 |

§ 9 — FEDERAL REIMBURSEMENT FOR DSS PROJECTS

For FY 14 and FY 15, the act authorizes DSS to establish receivables for the anticipated reimbursement from the Department of Development Services' (DDS) Medicaid waiver management system. Existing law allows DSS to do so for the (1) health insurance and information exchanges, (2) Medicaid data analytics system, (3) integrated eligibility management system, and (4) other related information technology systems. By law, it must do so in compliance with advanced planning documents approved by the federal Department of Health and Human Services for developing these projects.

EFFECTIVE DATE: Upon passage

§ 11 — NEWBORN SCREENING ACCOUNT

For FY 15, the act increases, from \$1.15 million to \$1.735 million, the amount allocated to the General Fund's newborn screening account. The funding comes from fees the Department of Public Health (DPH) charges institutions for comprehensive newborn testing, parent counseling, and treatment. DPH must use the money (1) to buy upgraded screening technology and (2) for its testing expenses.

EFFECTIVE DATE: Upon passage

§ 13 — DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES (DMHAS) COST RECONCILIATION WITH NONPROFIT PROVIDERS

For FY 15, the act requires nonprofit organizations providing services under contract with DMHAS to reimburse DMHAS for the difference between their actual expenses and the amount they received from DMHAS under the contract. The reimbursement amount must be (1) 100% of the difference or (2) an alternate amount identified by the DMHAS commissioner, approved by the OPM secretary, and allowed by applicable state and federal laws and regulations.

§ 18 — ECS GRANTS TO TOWNS

The act overrides the statutory formula for calculating ECS grants for FYs 14 and 15 and specifies each town's grant for such years.

EFFECTIVE DATE: Upon passage

§ 19 — CSLF

The act transfers the following amounts from CSLF's assets:

1. \$4.4 million, by October 30, 2014, to the CHET Baby Scholars fund for the Baby Scholars program;
2. \$19 million, by June 30, 2015, to the Board of Regents for Higher Education (BOR) for Transform CSU; and
3. \$1.6 million, by June 30, 2015, to the Office of Higher Education (OHE) for the Governor's Scholarship program.

§§ 20 & 25 — RESERVED AMOUNTS FROM LINE ITEM APPROPRIATIONS

The act reserves certain amounts from line items in agency budgets for various purposes, as shown in Table 4. (PA 14-217 (§ 231) reserves additional amounts from certain DRS and Department of Emergency Services and Public Protection (DESPP) FY 15 appropriations for different purposes.)

Table 4: Reserved Amounts from FY 15 Line Item Appropriations

| § | Agency | Appropriation For | Reserved For | Amount |
|----|-------------------------------------|--|--|-----------------|
| 20 | State Department of Education (SDE) | After School Program | Plainville (\$50,000), Thompson (\$25,000), and Montville (\$25,000) school districts | Up to \$100,000 |
| 25 | Judicial Department | Court Support Services Division: to provide continued support for children of incarcerated parents | Institute for Municipal and Regional Policy – Central Connecticut State University, pursuant to a memorandum of understanding, and made available to the New Haven Family Alliance, pursuant to a personal service agreement | Up to \$100,000 |

§ 21 — TOBACCO SETTLEMENT FUND ALLOCATIONS

The act allocates money from the Tobacco Settlement Fund in FY 15 for the programs and purposes shown in Table 5.

Table 5: Tobacco Settlement Fund Allocations

| <i>Agency</i> | <i>Program/Purpose</i> | <i>Amount</i> |
|---|--|---------------|
| DMHAS | Grants for Substance Abuse | \$3,000,000 |
| | Grants for Mental Health Services | 7,000,000 |
| SDE | After School Program: grants for after school programs in the following towns – Waterbury (\$143,000), Meriden (\$71,000), Lighthouse Program of Bridgeport (\$164,000), Stamford (\$123,000), New Britain (\$87,000), East Hartford (\$65,000), Hartford (\$172,000), New Haven (\$149,000), and Windham (\$26,000) | 1,000,000 |
| Department of Economic and Community Development (DECD) | Other Expenses: grant to Connecticut Innovations, Inc. (CI) for regenerative medicine and bioscience grant award management | 500,000 |

§ 22 — PAYMENTS IN LIEU OF TAXES (PILOT) FOR BRADLEY INTERNATIONAL AIRPORT PROPERTY

Beginning in FY 15, the act eliminates the state PILOT for any Bradley International Airport real property located in the four towns (Windsor Locks, Suffield, East Granby, and Windsor) receiving specific annual payments from the Connecticut Airport Authority for such property.

§ 23 — OPERATION FUEL ENERGY ASSISTANCE

For FY 15, the act transfers \$500,000 from funds collected through the systems benefit charge (SBC) on electric utility customers to DEEP for energy assistance through Operation Fuel. (PA 14-217 (§§ 208 & 256) repeals this transfer and instead, beginning in FY 15, annually transfers \$1.1 million from the SBC to Operation Fuel.)

§ 26 — YOUTH SERVICES PREVENTION APPROPRIATIONS

The act eliminates a \$100,000 grant to the Chester Addison Community Center, funded through OPM's FY 15 Youth Services Prevention appropriation, and instead directs the grant funds to Domus of Stamford. (PA 14-217 (§ 230) repeals this provision and modifies these and other youth services prevention grants for FY 15.)

§ 27 — SDE EDUCATIONAL GRANTS TO BRIDGEPORT

The act requires SDE to provide grants for educational purposes to Bridgeport in the amount of (1)

\$1,200,000 for FY 14 and (2) \$700,000 for FY 15.

EFFECTIVE DATE: Upon passage

§ 28 — REGIONAL EMERGENCY MEDICAL SERVICES COORDINATORS

The act increases, from \$500,000 to \$525,000, the amount allocated to DPH from the Tobacco Health and Trust Fund in FY 15 for regional emergency medical services coordinators.

§ 29 — DSS REIMBURSEMENT TO PHARMACIES

For FY 15, the act authorizes the DSS commissioner, with the OPM secretary's approval, to revise the methodology DSS uses to reimburse pharmacies for prescriptions dispensed to Medicaid recipients to meet the requirements of the federal Patient Protection and Affordable Care Act (P.L. 111-148) and Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). It also authorizes the commissioner to increase the dispensing fee that DSS pays pharmacists for each prescription they fill for beneficiaries of DSS pharmacy assistance programs (e.g., Medicaid) to help pharmacists transition to the new reimbursement methodology.

§§ 32-33 & 36-38 — TRANSFERS TO THE GENERAL FUND

As Table 6 shows, the act transfers funds from various sources to the General Fund.

Table 6: Transfers to the General Fund

| <i>§§</i> | <i>Source</i> | <i>Amount (millions)</i> | <i>FY</i> |
|-----------|--|--|-----------|
| 32- | Tobacco and Health | \$1.0* | 14 |
| 33 | Trust Fund | 1.0* | 15 |
| | | 3.0* | 15 |
| 36 | 1998 Tobacco Master Settlement Agreement | Up to 19.46 | 15 |
| 37 | Biomedical Research Trust Fund | 0.5 (transfer must be made in FY 14)** | 15 |
| | | 0.5 | 15 |
| 38 | Private Occupational School Student Protection Account | 0.5 | 15 |

*PA 14-217 (§§ 214-216) (1) repeals the FY 14 transfer from the Tobacco and Health Trust Fund, (2) requires the \$1 million transfer for FY 15 to be made in FY 14, and (3) makes a technical change to the \$3 million FY 15 transfer.

**Although the act requires this \$500,000 transfer to be made in FY 14, the provision is effective July 1, 2014. PA 14-217 (§ 217) makes the transfer effective upon passage.

EFFECTIVE DATE: July 1, 2014, except for the provisions transferring (1) \$1 million from the Tobacco and Health Trust Fund for each of FYs 14 and 15 and (2) funds from the 1998 Tobacco Master Settlement Agreement, which are effective upon passage. (PA 14-217 (§§ 217-218) makes the transfers from the Biomedical Research Trust Fund and Private Occupational Student Protection Account effective upon passage.)

§§ 34 & 35 — TOBACCO MASTER SETTLEMENT AGREEMENT LITIGATION SETTLEMENT AND GAAP ACCRUALS

The act reduces by \$13,955,945 from \$40,000,000 to \$26,044,055, the amount of litigation settlement funds received under the 1998 Master Settlement Agreement reserved to reduce FY 14 aggregate appropriations for “Nonfunctional-Change to Accruals” (i.e., GAAP accruals). These appropriations represent the change to accruals in an agency’s budget due to the conversion to GAAP-based budgeting. The act similarly reduces, from \$40,000,000 to \$26,044,055, the amount by which FY 14 General Fund appropriations must be reduced for Transfer GAAP Funding.

It also eliminates the FY 14 appropriation to DSS for GAAP accruals.

EFFECTIVE DATE: Upon passage

§ 39 — OHE’S MINORITY ADVANCEMENT PROGRAM

The act requires \$686,538 in unused funds for OHE’s Minority Advancement program to lapse in FY 14, instead of being carried forward to FY 15.

EFFECTIVE DATE: Upon passage

§§ 41-44 — ADJUSTMENTS IN FY 14 GENERAL FUND AND STF APPROPRIATIONS

The act adjusts certain FY 14 General Fund and STF appropriations, as shown in Table 7. The adjustments result in a \$1 million (1) net decrease in General Fund appropriations and (2) net increase in STF appropriations.

Table 7: Adjustments in FY 14 General Fund and STF Appropriations

| Agency | Purpose | Increase/ (Reduction) in millions |
|---------------------------------------|--|-----------------------------------|
| <i>General Fund</i> | | |
| Department of Administrative Services | Personal Services | \$6.5 |
| | State Insurance and Risk Management Operations | 1.5 |
| DESPP | Personal Services | 3.9 |
| | Other Expenses | 0.5 |

| Agency | Purpose | Increase/ (Reduction) in millions |
|--|---------------------------------------|-----------------------------------|
| <i>General Fund</i> | | |
| | Workers' Compensation Claims | \$0.4 |
| DECD | Capitol Region Development Authority | 3.0 |
| Office of the Chief Medical Examiner | Other Expenses | 0.1 |
| SDE | Magnet Schools | 10.4 |
| Public Defenders Services Commission | Personal Services | 4.9 |
| | Expert Witnesses | 1.8 |
| State Comptroller – Miscellaneous | Adjudicated Claims | 6.2 |
| Workers' Compensation Claims – Administrative Services | Workers' Compensation Claims | 2.8 |
| DSS | Medicaid | (43.0) |
| <i>STF</i> | | |
| DOT | Personal Services | 7.0 |
| | Other Expenses | 2.1 |
| | Bus Operations | 4.0 |
| | ADA Para-transit Program | 0.6 |
| State Comptroller – Fringe Benefits | State Employees Health Service Cost | 1.5 |
| Workers' Compensation Claims – Administrative Services | Workers' Compensation Claims | 0.8 |
| Department of Motor Vehicles (DMV) | Personal Services | (1.5) |
| | Other Expenses | (0.5) |
| DOT | Pay-As-You-Go Transportation Projects | (4.0) |
| Debt Service – State Treasurer | Debt Service | (9.0) |

EFFECTIVE DATE: Upon passage

§ 45 — CONNECTICUT TELEVISION NETWORK (CT-N) FUNDING

Beginning in FY 15, the act increases, from \$2.5 million to \$3.2 million, the amount the comptroller must set aside each fiscal year from the cable television companies’ tax to defray the Office of Legislative Management’s costs of providing CT-N coverage of state government deliberations and public policy events.

EFFECTIVE DATE: Upon passage

§ 46 — MUNICIPAL REVENUE SHARING GRANTS

The act requires the DRS commissioner to deposit \$12.7 million of FY 15 sales and use tax payments into the Municipal Revenue Sharing Account (MRSA). It requires the OPM secretary to distribute the funds to municipalities according to a specified municipal revenue sharing formula. Under the formula, the grants are distributed as follows:

1. 50% on a per capita basis and
2. 50% according to an existing property tax relief formula that apportions funds based on a municipality's population, adjusted equalized net grand list per capita, and per capita income of town residents.

These grants were previously funded through MRSA by a portion of sales, luxury, and state real estate conveyance tax revenue.

§§ 47-48 — SALES TAX EXEMPTIONS

Clothing and Footwear

The act delays, from June 1, 2015 to July 1, 2015, the effective date of a sales and use tax exemption on clothing and footwear costing less than \$50. The exemption was enacted in 2013 (PA 13-184 (§ 79)).

Nonprescription Drugs and Medicines

Beginning April 1, 2015, the act exempts from the sales and use tax nonprescription drugs and medicines for use in or on the body. The exemption applies to vitamin and mineral concentrates, dietary supplements, and natural or herbal drugs or medicine; cough, cold, asthma, allergy, or antihistamine products; antacids, laxatives, anthelmintics, emetics, and antiemetics; analgesics, antibiotic, antibacterial, antiviral, antifungal, antidiarrheal, and steroidal medicines; antiseptics, astringents, and anesthetics; and any eye, ear, or nose medication. It does not apply to cosmetics, dentrifices, mouthwash, shaving and hair care products, soaps, or deodorants.

An identical sales and use tax exemption was eliminated in 2011 (PA 11-6 (§ 166)).

EFFECTIVE DATE: July 1, 2014, and applicable to sales occurring on or after April 1, 2015.

§ 49 — ADMISSIONS TAX EXEMPTION

The act exempts admission charges for events held at the XL Center in Hartford from the 10% admissions tax. (PA 14-217 (§ 225) similarly exempts admission charges for events held at the Webster Bank Arena in Bridgeport.)

§ 50 — INCOME TAX EXEMPTION FOR TEACHER PENSIONS

The act exempts a portion of state teachers' retirement system (TRS) income from the income tax. It does so by allowing taxpayers, when calculating Connecticut adjusted gross income for state income tax purposes, to deduct 10% of TRS income for the 2015 tax year, 25% for the 2016 tax year, and 50% for 2017 and subsequent tax years.

EFFECTIVE DATE: July 1, 2015, and applicable to tax years beginning on or after January 1, 2015.

§ 51 — ANGEL INVESTOR TAX CREDIT

The act postpones the sunset date for the angel investor tax credit program from July 1, 2014 to July 1, 2016. By law, the angel investor tax credit program provides personal income tax credits for people investing at least \$25,000 in start-up, technology-based Connecticut businesses approved for such credit-eligible investments.

Prior law required CII to review the credit's effectiveness by July 1, 2014. The act (1) requires CII to conduct this review annually, beginning by July 1, 2014; (2) specifies that CII must review the credit's cumulative effectiveness; (3) requires it to report its findings to OPM, in addition to the Commerce Committee; and (4) identifies certain elements that CII must include in its report.

Under the act, the annual report must include the:

1. number, type, and current status of Connecticut businesses that received angel investments;
2. number and type of angel investors;
3. aggregate amount of cash investments;
4. number of employees each business employed in each year following the year in which it received the angel investment; and
5. economic impact each business has in the state.

The act also makes technical changes.

EFFECTIVE DATE: Upon passage, and applicable to tax years beginning on or after January 1, 2014.

§§ 52-53 & 66 — REPEAL OF KENO

The act repeals a law allowing the state to operate keno as a lottery game. It does so by eliminating the authority of the (1) Connecticut Lottery Corporation (CLC) to introduce keno as a lottery game and (2) OPM secretary, on the state's behalf, to enter into separate profit-sharing agreements with the Mashantucket Pequot and Mohegan Tribes concerning CLC's operation of keno. Under prior law, the agreements had to require the state to share with each tribe up to 12.5% of its keno profits.

EFFECTIVE DATE: Upon passage

§ 54 — GENERAL FUND TRANSFER TO THE STF

The act eliminates a \$2.1 million transfer to the STF from the General Fund for FY 15.

§§ 55-64 — REVENUE ESTIMATES

The act modifies previously adopted revenue estimates for FY 15 for nine of the state's 10 appropriated funds, as shown in Table 8.

Table 8: Modified FY 15 Revenue Estimates

| <i>Fund</i> | <i>Prior Law</i> | <i>Act</i> |
|--|------------------|------------------|
| General Fund | \$17,500,700,000 | \$17,459,362,000 |
| Special Transportation Fund | 1,322,700,000 | 1,328,400,000 |
| Mashantucket Pequot & Mohegan Fund | 61,800,000 | 61,780,000 |
| Regional Market Operation Fund | 1,000,000 | 1,029,000 |
| Banking Fund | 27,847,000 | 28,800,000 |
| Insurance Fund | 31,968,000 | 68,345,000 |
| Consumer Counsel & Public Utility Control Fund | 25,384,000 | 25,600,000 |
| Workers' Compensation Fund | 25,235,000 | 27,251,000 |
| Criminal Injuries Compensation Fund | 3,310,000 | 3,355,000 |

§ 65 — GRANT TO INSTITUTE OF MUNICIPAL AND REGIONAL POLICY

The act eliminates a \$150,000 earmark in FYs 14 and 15 for a grant to the Institute of Municipal and Regional Policy to assist in the development of the Connecticut-specific model within the Pew-MacArthur Results First Initiative. Under prior law, the funds were reserved from an appropriation to BOR for the initial stages of collection and arrangement of the official papers of former Governor William O'Neill (PA 13-184 (§ 42)).

PA 14-217—HB 5597

Emergency Certification

AN ACT IMPLEMENTING PROVISIONS OF THE STATE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2015

SUMMARY: This act makes changes to implement the state budget for FY 15 as well as many other unrelated changes. Among its major provisions, the act:

1. expands the scope of the Connecticut False Claims Act, which prohibits the filing of false or fraudulent claims for human services program payment or approval (§§ 1-18 & 257);
2. requires municipalities to update their local Emergency Medical Services (EMS) plans and establishes new provisions relating to removal of municipalities' primary service area responders (PSARs) (§§ 19-22);

3. establishes, as part of the Connecticut Higher Education Trust (CHET), the Baby CHET Scholars Fund account for children enrolled in CHET within the first year after birth or adoption (§§ 27-34);
4. returns administrative duties for the state's rental rebate program for the elderly and disabled to the Office of Policy and Management (OPM) and expands certain individuals' rebate eligibility (§§ 48-54 & 258);
5. alters various education laws, including those on interdistrict magnet schools, to comply with the latest phase of the settlement for Hartford's *Sheff v. O'Neill* school desegregation case (§§ 89-107);
6. expands the range of measures the court may enter in civil restraining order cases to include certain financial orders, such as an order to pay rent or a mortgage on the family home (§§ 120 & 129);
7. requires the Finance, Revenue and Bonding chairpersons to convene a panel of experts to study the overall state and local tax structure (§ 137);
8. establishes a legal framework for forming a for-profit corporation that both pursues social benefits and increases value for its shareholders (benefit corporation or b-corp) (§§ 140-157);
9. approves certain provisions in contracts collectively bargained by the state and certain family child care providers and personal care attendants (PCAs) that supersede a law or regulation (§§ 159 & 227);
10. establishes the "Go Back to Get Ahead" program, administered by the Board of Regents for Higher Education (BOR), to encourage former students to return to a higher education institution and complete a degree program (§ 176);
11. creates the Connecticut Retirement Security Board, which must study the feasibility of implementing a publicly administered retirement savings plan (§§ 180-185);
12. allows the Superior Court to issue a new "civil protection order" to protect certain sexual abuse, sexual assault, or stalking victims (§§ 186-190);
13. increases the penalties for certain violations of a protective, standing criminal protective, or civil restraining order (§§ 122-128);
14. criminalizes the operation of Internet sweepstakes cafes (§§ 201-203);

15. allows the services of certain licensed behavioral health clinicians to be included in the Medicaid state plan for recipients age 21 and older (§ 220); and
16. reduces the retirement salary for certain judges, family support magistrates, and compensation commissioners, and prohibits any judge from receiving more than one pension from state employment (§ 252).

The act also makes numerous minor, technical, and conforming changes.

A section-by-section analysis of the act appears below. Sections not described below were either deleted from the act (§§ 130, 213, & 237-247) or make technical changes (§§ 110 & 111).

EFFECTIVE DATE: July 1, 2014; two technical changes (§§ 108 & 111) are effective upon passage, and other effective dates are noted below.

§§ 1-18 & 257 — CONNECTICUT FALSE CLAIMS ACT (CFCA) EXPANSION

The act expands the scope of the law that prohibits anyone from knowingly filing false or fraudulent claims for human services program payment or approval. It does so by repealing the former CFCA, replacing it with substantially similar provisions, and making conforming changes.

It extends, to all state-administered health and human services programs, provisions of the former CFCA that ban the following actions in Department of Social Services (DSS) medical assistance programs:

1. knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval;
2. knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim;
3. being authorized to make or deliver a document certifying receipt of property used, or to be used, by the state relative to these programs and, with intent to defraud the state, make or deliver the document without completely knowing that the information in it is true;
4. knowingly buying, or receiving as a pledge of an obligation or debt, public property from a state employee or officer who may not legally sell or pledge the property;
5. knowingly making, using, or causing to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the state;

6. knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the state; or
7. conspiring to commit the above actions.

Prior law also prohibited anyone with possession, custody, or control of property or money used, or to be used, by the state for DSS medical assistance programs, and, with intent to defraud the state or willfully conceal the property, from (1) delivering or causing to be delivered less property than the amount for which the person receives a receipt or certificate or (2) conspiring to do so. The act:

1. similarly expands this prohibition to all state-administered health or human services programs and
2. lowers the threshold by which someone is guilty of violating this provision by removing the need to act with the intent to defraud the state or willfully conceal the property and instead requiring the act to be committed knowingly.

State-Administered Health or Human Services Programs

Under the act, “state-administered health or human services programs” include programs administered by the:

1. Department on Aging and DSS;
2. departments of children and families (DCF), developmental services (DDS), mental health and addiction services (DMHAS), public health (DPH), and rehabilitation services (DORS);
3. Office of Early Childhood (OEC); and
4. Department of Administrative Services (DAS), for workers’ compensation medical claims, including those reimbursed by the federal government.

They also include state employee, retiree, and other health programs administered by the State Comptroller’s Office.

EFFECTIVE DATE: Upon passage

§§ 19-22 — EMS AND PSARS

The act makes several changes concerning EMS and PSARS. By law, a “primary service area” (PSA) is a specific geographic area to which DPH assigns a designated EMS provider for each category of emergency medical response services. These providers are termed PSARs (CGS § 19a-175).

EFFECTIVE DATE: October 1, 2014, except the provisions on PSAR sales and buyer approval are effective upon passage.

§ 19 — *Local EMS Plan Updates and DPH Review*

By law, each municipality must establish a local EMS plan containing specified information.

The plan must include:

1. the written agreements or contracts between the town, its EMS providers, and the public safety answering point covering the municipality;
2. identification of specified EMS levels;
3. the name of the person or entity responsible for each EMS level identified;
4. performance standards for each part of the town's EMS system; and
5. any subcontracts, written agreements, or mutual aid call agreements EMS providers have with other entities to provide services identified in the plan (CGS § 19a-181b(a)).

The act requires each municipality to update its plan as it determines necessary. In updating its plan, a municipality must consult with its PSAR. Upon request, DPH must assist municipalities with the updating process by (1) providing technical assistance and (2) helping to resolve disagreements (presumably between the municipality and PSAR) concerning the plan.

The act also requires DPH, at least every five years, to review local EMS plans and PSARs' provision of services under them. In conducting the reviews, DPH must (1) evaluate whether each PSAR has complied with applicable laws and regulations and (2) rate their services as meeting, exceeding, or failing to comply with, performance standards.

If DPH rates a PSAR as failing, the DPH commissioner may require it to comply with a department-developed performance improvement plan. PSARs rated as failing may also be subject to (1) later performance reviews or (2) removal as the town's PSAR for failing to improve their performance, as explained below.

§ 20 — *PSAR Removal*

The act allows the DPH commissioner to initiate a hearing on her own and remove the PSAR if she rated it as failing to comply with performance standards and the responder subsequently fails to improve its performance.

By law, a municipality can also petition the commissioner to remove a PSAR that is not meeting certain standards. This applies to PSARs that are (1) notified for initial response, (2) responsible for basic life support, or (3) responsible for services above basic life support. The commissioner can revoke a PSAR assignment, after a contested case hearing, if she determines that these standards are not met or it is in the best interests of patient care to do so.

Under prior law, a municipality could file a petition at any time based on an allegation that an emergency existed and the safety, health, and welfare of the PSA's citizens were jeopardized by the responder's performance. The act refers to "performance crisis" rather than "emergency," and defines the term to mean that the:

1. PSAR failed to (a) respond to at least 50% of first-call responses in any rolling three-month period and (b) comply with any corrective action plan agreement between the PSAR and municipality or
2. sponsor hospital refuses to endorse or recommend the PSAR due to unresolved issues relating to the PSAR's quality of patient care. (By law, a sponsor hospital provides medical oversight, supervision, and direction to an EMS organization and its personnel.)

By law, a municipality can also file a removal petition, not more than once every three years, based on a responder's unsatisfactory performance. Prior law specified that "unsatisfactory performance" was determined under the local EMS plan and associated agreements or contracts. The act instead defines the term as a PSAR's failure to deliver services in accordance with the local EMS plan and also failure to do any of the following:

1. respond to at least 80% of first-call responses, excluding those the municipality excused in any rolling 12-month review period;
2. meet defined response time standards agreed to between the municipality and responder, excluding responses the municipality excused, and comply with a mutually agreed-upon corrective action plan;
3. investigate and adequately respond to complaints about emergency care quality or response times, on a repeated basis;
4. report adverse events as required by the DPH commissioner or under the local EMS plan, on a repeated basis;
5. communicate (a) changes to service level or coverage patterns that materially affect service delivery as required under the local EMS plan or (b) an intent to change service in a manner inconsistent with the plan; or
6. communicate changes in its organizational structure likely to negatively affect its service delivery.

The act requires the commissioner or her designee to open a municipal petition within (1) five business days after receipt, for petitions alleging a performance crisis or (2) 15 business days after receipt, for those alleging unsatisfactory performance. She must conclude her investigation within (1) 30 days after receipt for petitions alleging a performance crisis or (2) 90 days

after receipt for those alleging unsatisfactory performance.

The act allows the commissioner, based on the facts alleged, to reclassify a performance crisis petition as an unsatisfactory performance petition and vice versa. If she does so, she must comply with the timeframes corresponding with her reclassification.

The act authorizes the commissioner to develop and implement procedures for designating temporary responders while a performance crisis petition is under review. It also prohibits a PSAR, while a municipal petition to remove the PSAR is pending, from transferring its responsibilities to another responder.

§ 21 — *Sale or Transfer of PSAR*

Under the act, before a PSAR sells or transfers more than half of its ownership interest or assets, it must give at least 60 days' notice to (1) DPH and (2) the chief elected official or chief executive officer of the municipality where the PSAR is assigned. The intended buyer or transferee must apply to DPH for approval on a form the commissioner prescribes.

In deciding whether to approve the transaction, the commissioner must consider the applicant's (1) performance history in Connecticut or other states and (2) financial ability to perform PSAR responsibilities under the local EMS plan.

The act gives the commissioner 45 days to approve or reject the application and allows her to hold a hearing on it. She also must consult with any municipality or sponsor hospital in the PSA in making her determination.

§ 22 — *Alternative Local EMS Plan for Municipalities Seeking PSAR Change*

Under certain circumstances, the act requires municipalities seeking a change in their PSARs to submit alternative local EMS plans to DPH. This applies when the:

1. municipality's current PSAR fails to meet the standards outlined in the local plan;
2. municipality establishes a performance crisis or unsatisfactory performance, as defined above;
3. PSAR does not meet a performance measure set by regulation;
4. municipality develops a plan to regionalize service; or
5. municipality (a) develops a plan that will improve or maintain patient care and (b) can align with a new PSAR that is better suited than the current one to meet the community's needs.

Under the act, the alternative plan must include the name of a recommended PSAR for each category of emergency medical response services.

Within 45 days after a municipality submits the alternative local EMS plan, each new recommended PSAR that agrees to be considered for the PSA designation must apply to the commissioner, on a form she prescribes.

If the commissioner receives such an alternative plan, she must hold a hearing for which she must give the municipality's current PSAR at least 30 days' written notice. The current PSAR must have an opportunity to be heard and can submit information for the commissioner's consideration.

In deciding whether to approve the plan, the commissioner must consider any relevant factors, including the:

1. plan's impact on (a) patient care, (b) EMS system design, including system sustainability, and (c) the local, regional, and statewide EMS system;
2. recommendation of the sponsor hospital's medical oversight staff; and
3. financial impact to the municipality without compromising the quality of patient care.

Under the act, if the commissioner approves the alternative plan and the application of the recommended PSAR, she must issue a written decision to reassign the PSA in accordance with the alternative plan, including the date the reassignment takes effect. The act requires the current PSAR to continue to deliver services in accordance with the local EMS plan until the effective date of the reassignment set forth in the commissioner's decision.

§§ 23-26 — ELECTRONIC CHECK-IN OF VOTERS

The act authorizes official checkers to use a secretary of the state-approved electronic device to check in electors at the polls during a primary, election, or referendum. By law, official checkers are responsible for verifying electors' identification and checking their names on the official registry list before they are permitted to vote.

The secretary of the state, in consultation and coordination with UConn, must (1) review electronic devices that could assist checkers in checking electors' names and (2) by September 1, 2015, create a list of devices she approves for use and make it available to municipalities in a manner she chooses. She may add devices to, or remove devices from, the list as she determines necessary.

If an electronic device is used to check in electors, the act requires that (1) it be returned to the registrars of voters after the polls close and (2) the registrars print the electronic registry list and sign it. The registrars must

deposit the printed electronic registry list in the town clerk's office the following day, as existing law requires them to do with the paper registry list. The checkers must use the paper registry list to check in voters if the electronic device becomes inoperable.

By law, official checkers must provide the election moderator with a certificate immediately after the polls close stating the (1) number of names on the registry or enrollment list and (2) number checked as having voted in that election or primary. The act eliminates requirements that (1) checkers provide this certificate in duplicate to the moderator and (2) the moderator place the duplicate copy with the election return and voted ballots from the polling place in the town clerk's office by the next day.

The act eliminates a requirement that at least two electors next in line to vote be admitted into the polling area to receive a ballot. Finally, it makes technical changes, including substituting "voting booth area" for "voting booth" when referring to the space around a voting booth.

EFFECTIVE DATE: Upon passage

§§ 27-34— CHET BABY SCHOLARS FUND

Administration

The act authorizes state incentive payments for people who establish college saving plans under the state-sponsored CHET. A plan qualifies for these payments if the child was born or legally adopted on or after January 1, 2014 and lives in Connecticut when the state makes the payments. The act also establishes a separate, nonlapsing account (CHET Baby Scholars Fund) to fund these payments.

The State Treasurer's Office must fund the payments from the CHET Baby Scholars Fund account. The treasurer may enter into one or more contractual agreements specifying the conditions for making incentive payments and tap the account to cover the cost of creating and administering it.

Incentive Payments

Parents can obtain incentive payments for their children by entering into a participation agreement with the treasurer. Under the act, the treasurer must make up to two incentive payments to the savings plan of a participating child. She must make an initial \$100 payment to the plan of a child who entered the program by his or her first birthday or within one year after the child's legal adoption. She must make a subsequent \$150 payment to the plan if it received at least \$150 in deposits (excluding the treasurer's initial \$100 contribution) before the child's fourth birthday or within four years after his or her legal adoption.

Income Tax Refunds

The act allows taxpayers to contribute any portion of their state income tax refund to (1) an individual CHET plan, including one created under the Baby Scholars Fund, or (2) the Baby Scholars Fund instead of a specific plan. To help taxpayers who want to make these contributions, the revenue services commissioner must modify tax return forms and include program information and contacts in the forms' instructions.

The commissioner must revise the forms to include spaces allowing taxpayers to indicate (1) their intentions to contribute a portion of their returns, to a designated plan beneficiary or the CHET Baby Scholars Fund and, (2) if applicable, the beneficiary's name and social security number. The form must indicate, for taxpayers contributing to the Baby Scholars Fund and not a plan beneficiary, that the contribution will not go to a specific beneficiary.

The instructions must describe CHET and the Baby Scholars Fund and specify how taxpayers may contact the treasurer about them or provide links to her website.

Existing law (1) allows taxpayers to contribute a portion of their returns to accounts established for specific purposes, including organ transplants, AIDS and breast cancer research, and safety net services, and (2) requires the commissioner to modify tax return forms and instructions for these purposes.

Under prior law, the commissioner, with the OPM secretary's approval, could tap up to 7.5% of the funds in the accounts established for these purposes to cover administrative costs. The act specifies that he may tap up to 7.5% of the funds remaining in the accounts to cover these costs. It bars the commissioner from tapping CHET funds to cover the cost of modifying tax return forms and the instructions.

CHET Assets

People often qualify for state assistance based on income and other assets. The act bans the state from considering funds in CHET accounts in determining a person's eligibility for the (1) Temporary Family Assistance (TFA) program, (2) Low-Income Home Energy Assistance Program, (3) federally funded weatherization assistance program, or (4) need-based institutional grants offered at the state's public colleges and universities.

EFFECTIVE DATE: July 1, 2014, except for CHET fund exclusion when determining specified program eligibility and various conforming and technical changes, which take effect upon passage.

§§ 35-43, 169, & 259 — CONNECTICUT STUDENT
LOAN FOUNDATION (CSLF)

*Connecticut Health and Educational Facilities
Authority (CHEFA) Quasi-Public Subsidiary*

The act reconstitutes CSLF as a quasi-public subsidiary of CHEFA. Under prior law, CSLF was an independent, state-chartered nonprofit corporation created to make or guarantee loans under the Federal Family Education Loan Program. It stopped making new loans, sold its loan guarantee portfolio in 2009, and now performs mostly administrative duties, although it retained its power to make or guarantee loans.

As a quasi-public agency, CSLF must comply with the statutes governing such agencies. Among other things, it must obtain the state treasurer's approval before issuing bonds or incurring other debt backed by the state. CSLF must also protect its directors, officers, and employees from liability and indemnify them for certain losses when performing their duties.

In becoming a CHEFA subsidiary, CSLF enjoys the same privileges, immunities, tax exemptions, and other exemptions as CHEFA, and CSLF's liability does not extend beyond its assets, revenue, and resources. CSLF continues to exercise its powers under existing law. To help CSLF exercise those powers, CHEFA may support CSLF's operations and receive compensation for doing so. Such support includes providing space, equipment, supplies, and employees.

CHEFA and CSLF have the authority to take any actions necessary to maintain CSLF's status as a federal tax-exempt organization. Otherwise, the act makes no changes to CHEFA's powers and responsibilities.

Board of Directors

The act eliminates CSLF's 14-member board on July 1, 2014 and replaces it with the Connecticut Higher Education Supplemental Authority's (CHESLA) nine-member board. (CHESLA is a CHEFA subsidiary.) CSLF's board consisted of state higher educational officials, people with financing and accounting backgrounds, and legislative appointees. CHESLA's board includes state officials, CHEFA board members, and an expert in state and municipal finances. Members of the reconstituted CSLF board must comply with the State Code of Ethics for Public Officials, which, among other things, prohibits them from having a financial interest or engaging in any business, employment, transaction, or professional activity that conflicts substantially with the proper discharge of their duties.

The act authorizes CHEFA's board to remove any CSLF board member for misfeasance, malfeasance, or neglect of duty. The chairperson of CHESLA's board serves as the chairperson of CSLF's reconstituted board.

The new CSLF board must annually elect a vice chairperson from its members. The board members are not compensated for their service but are reimbursed for necessary expenses related to their duties. They must also take the oath of office prescribed in Article XI of the State Constitution, a record of which must be filed with the secretary of the state.

The board must adopt CSLF's bylaws and hold regular and special meetings. A majority of the members constitute a quorum for conducting business, and a majority of those present at these meetings must decide matters, unless the bylaws require otherwise. The board may elect an executive committee to conduct CSLF's business in between board meetings. The committee must consist of at least five members.

The reconstituted CSLF board may distribute any excess funds to CHEFA or its subsidiaries to provide financial assistance to qualified students attending higher education institutions. The assistance includes financial literacy education and loans, scholarships, and grants.

CSLF's board may appoint CSLF's executive director, who must be a CHEFA or CHESLA employee but serves at the pleasure of the CSLF board. The director's duties include supervising CSLF activities; keeping a record of CSLF proceedings; and maintaining CSLF's books, documents, and papers. The director, like the board members, must comply with the State Code of Ethics for Public Officials.

The statutory liability and indemnification protections apply to CHEFA and CHESLA officers, directors, designees, and employees appointed as CSLF members, directors, or officers. They also apply to CHEFA employees appointed as CSLF officers. These appointed officials are not personally liable for CSLF's debts, obligations, or liabilities. CSLF must, and CHEFA may, protect, save harmless, and indemnify them.

§§ 44 & 45 — MASHANTUCKET PEQUOT AND
MOHEGAN FUND

Under prior law, \$135 million of the gaming revenue the state received from the Mashantucket Pequot tribe was annually transferred from the General Fund to the Mashantucket Pequot and Mohegan Fund, and OPM distributed the funds as grants to towns. The act eliminates the \$135 million transfer and instead, each fiscal year beginning with FY 15, requires the transfer to equal the amount of the budget appropriation to the fund.

Beginning with the close of FY 15 and at the close of each subsequent fiscal year, the act requires the (1) OPM secretary to certify to the comptroller the amount he withheld from grants to a municipality and (2) comptroller to deposit the withholding into the General

Fund. By law, the OPM secretary can withhold up to \$4,000 a year from each municipality that fails to send the state the portions of fees the municipality collects from each applicant for a planning, wetlands and watercourse, and coastal permit.

§ 46 — POLICE TRAINING ON DEALING WITH PEOPLE WITH MENTAL ILLNESS

The act requires police basic and review training programs conducted or administered by the State Police, Police Officer Standards and Training Council (POST), or municipal police departments, to include a course on handling incidents involving people affected with a serious mental illness. In practice, both the State Police and POST provide such training.

EFFECTIVE DATE: October 1, 2014

§ 47 — DRY CLEANING ESTABLISHMENT REMEDIATION PROGRAM

The act eliminates the annual transfer of funds from the dry cleaning remediation account to the Department of Economic and Community Development (DECD) to cover DECD's administrative costs for the Dry Cleaning Establishment Remediation program. Under prior law, DECD annually received from the account the greater of \$100,000 or 5% of the account's maximum balance in the previous year.

The program provides grants for eligible dry cleaning businesses to prevent, contain, and remediate pollution from hazardous chemicals dry cleaners use. It is funded through a 1% surcharge on dry cleaning gross retail receipts.

§§ 48-54 & 258 — RENTAL REBATE PROGRAM

PA 13-234, among other things, (1) transferred administration of the state's rental rebate program for the elderly and people with total and permanent disabilities from OPM to the Department of Housing (DOH) and (2) limited program eligibility to individuals who received rebates in calendar year 2011 and continued to receive them in subsequent years. It also made conforming changes related to this transfer, including (1) establishing an appeals procedure within DOH and (2) requiring DOH to report annually to the governor and legislature on the program.

The act largely restores the program to its status prior to July 1, 2013, the date the applicable sections of PA 13-234 took effect, by (1) returning administration of the rental rebate program to OPM, (2) eliminating the requirement that eligible rebate applicants must have received a rebate in calendar year 2011 and each subsequent year, and (3) making numerous conforming changes. However, the act retains provisions in PA 13-234 (1) extending the period, from 90 to 120 days, for

approving payments to municipalities and forwarding them to the comptroller and (2) requiring the DSS commissioner to disclose certain information for purposes of administering the rental rebate program.

Additionally, under the act, if the OPM secretary determines a renter was overpaid, he may reduce the amount of subsequent rebates to recoup the amount of the overpayment. Aggrieved claimants have the right to appeal the secretary's decision.

EFFECTIVE DATE: Upon passage and applicable to rebate applications made on or after April 1, 2014.

§ 55 — ABANDONED MEDALS IN A SAFE DEPOSIT BOX

By law, a banking or financial institution in possession of abandoned personal property obtained from a safe deposit box or other safekeeping repository must sell the property and give the state treasurer the sale proceeds, minus any lawfully withheld charges. The act creates an exception for military medals. These medals may not be sold. The act requires the holder to give the treasurer any records for such medals she deems appropriate.

The act requires banks or financial institutions to transfer military medals presumed abandoned to the Department of Veterans' Affairs (DVA) using treasurer-approved procedures. The treasurer and DVA commissioner must enter into a memorandum of understanding (MOU) on how to handle the medals. The DVA must hold the medals in custody according to the terms of the MOU. The treasurer may make any information she obtains about abandoned property, including any photograph or other visual depiction of the military medals, but excluding Social Security numbers, available to the public to help identify the original owner or his or her heirs or beneficiaries.

§ 56 — SCHOOL BUILDING PROJECTS ADVISORY COUNCIL

The act increases School Building Projects Advisory Council membership from five to seven. It requires the governor to appoint two members in addition to the three he appoints under existing law: one with school safety experience and another with State Building Code administration experience. Existing law requires the remaining membership to consist of: (1) the OPM secretary and the DAS commissioner, or their designees and (2) three other governor's appointees, one with experience in school building projects, one in architecture, and one in engineering.

By law, the council must (1) develop model blueprints for new school building projects that comply with industry and school safety infrastructure standards; (2) conduct studies, research, and analyses; and (3)

recommend improvements to school building project processes to the governor and legislative committees.

EFFECTIVE DATE: Upon passage

§§ 57-65, 210, & 259 — SOLDIERS', SAILORS' AND MARINES' FUND (SSMF)

By law, the SSMF is a trust fund that provides assistance, such as food, clothing, and medical aid, to qualified veterans and their families.

PA 13-247, §§ 121-122, transferred the SSMF's administration from a state agency of the same name to the American Legion on July 1, 2014. By law, the state treasurer retains custody of the fund and responsibility for investing any amount not required for disbursement.

§ 57 — *SSMF Disbursements*

The act requires the treasurer to annually disburse at least \$2 million from the fund to the American Legion to pay for veterans' benefits. It requires the treasurer to make the annual disbursements from the fund's (1) interest earnings and (2) principal, if the interest earnings are not enough to cover the required disbursements. Prior law required the fund's disbursements to be made only from the fund's interest earnings. The American Legion must use these funds to provide certain statutorily defined assistance to qualified veterans and their families.

The act bars the American Legion from using SSMF disbursements to administer the fund. Prior law allowed the state agency to use up to \$300,000 of the interest earnings to do so. The act also requires the American Legion to (1) return any unused funds to the fund's principal at the end of each year and (2) promptly turn over all gifts, bequests, and donations it receives to support the SSMF to the treasurer, who must add them to the fund's principal.

The act eliminates the requirement that the treasurer reserve \$100,000 of the fund's interest earnings for contingent purposes.

§ 58 — *Public Availability of Fund Information*

Prior law allowed the SSMF administrator to make available at each town clerk's office (1) a copy of the fund's regulations and (2) aid applications. The act instead requires the American Legion to make the (1) regulations, as well as its bylaws, available online and (2) aid applications available to the clerks.

§ 59 — *SSMF Denial Hearing*

The act increases, from 10 to 15 days, the amount of time an applicant denied SSMF benefits may request a hearing on the denial. By law, the SSMF administrator must reply in writing within five days of

receiving such a request with information on the place and date of the hearing, which must be within 30 days of mailing the notice.

Under the act, the administrator may make an audio or audiovisual recording of the hearing instead of a transcript.

§ 60 — *Review Board*

Under prior law, anyone aggrieved by the administrator's decision could appeal to a three-member review board composed of the adjutant general, attorney general, and the DVA commissioner, or their designees. The act replaces this board with at least three American Legion State Fund Commission members as specified by the American Legion's bylaws. As under existing law, anyone aggrieved by the review board's decision may appeal to Superior Court. But the act eliminates the requirement that the appeal to Superior Court be done according to the Uniform Administrative Procedure Act (UAPA), which sets out certain procedural requirements (e.g., filing deadlines (CGS § 4-183)).

§ 61 — *Expanded Fund Uses*

The act expands the allowable uses of the SSMF's funds to include providing (1) temporary income; (2) shelter; and (3) expenses related to food, clothing, or shelter. Prior law allowed funds to be used only to provide benefits such as food; clothing; and medical, surgical, and funeral assistance to needy wartime veterans and their families.

The act also eliminates the requirement that the American Legion's treasurer report annually to the governor and the General Assembly in January, April, July, and October on money disbursements made during the preceding three months.

§ 62 — *Fund Accountability*

The act increases the frequency with which the American Legion must have an independent audit conducted of the SSMF. It does so by requiring an audit annually by January 15 instead of biennially on the same date.

It limits the audit's scope to SSMF expenditures by eliminating requirements that the audit report include (1) a detailed description of the fund's investments; (2) a description of the investment returns, including interest, dividends, and realized and unrealized capital gains by investment type; (3) the fund balance and earned interest for the current year and the estimated earned interest for the following year; and (4) any other information required to be reported to the treasurer.

The act instead requires the audit report to include (1) a detailed description of the American Legion's administrative and operating expenditures for administering the fund and (2) the names, titles, and compensation of the fund's administrative staff. The report must continue to report expenditures by type and amount. The act specifies that the (1) list must include the number of people who receive aid and (2) expenditures must be listed by month.

Prior law required the American Legion to submit the audit report, within seven days of receiving it, to the treasurer and Finance, Revenue and Bonding Committee. The act instead requires the legion to submit the report, within the same time period, to the auditors of public accounts, OPM, and Appropriations Committee. By law, this report must also be submitted to the Veterans' Affairs Committee.

The act requires the American Legion to make the report available to the public electronically only, rather than both electronically and in print.

§§ 63-65 — SSMF Operations Transfer to American Legion

Equipment and Documents. Under the act, all SSMF furniture, equipment, and supplies in the SSMF's possession on June 30, 2014 must be transferred to the American Legion at no cost to the Legion. The state must retain the documents in SSMF's possession on June 30, 2014 in accordance with the state's record retention requirements, unless the state librarian allows the American Legion to retain temporary custody of the documents, subject to any conditions he imposes.

Office Space. The act allows the American Legion to use office space in state-owned or -leased buildings subject to reasonable office rent or lease costs, with DAS approval. But it specifies that with DAS and OPM approval, the American Legion cannot be charged for offices in locations where the space was provided on the same basis as of June 30, 2014.

CORE-CT. The act allows those American Legion personnel with CORE-CT access on June 30, 2014 to continue to have such access, with the comptroller's approval, during FY 15 for an orderly transition of accounting, human resources, payroll, and other functions. CORE-CT is the statewide accounting and personnel system.

§ 210 — FY 15 SSMF Appropriations

The act specifies that the DVA's \$635,000 FY 15 appropriations for SSMF administration cannot be reduced during the fiscal year.

EFFECTIVE DATE: Upon passage

§ 259 — Expenses Incurred Using Certain Premises

The act eliminates a provision allowing the expenses the state incurs for supervising, caring for, and controlling the premises used by the SSMF administrator to be charged against the fund's interest.

§ 66 — HEALTH AND WELFARE FEE

The act requires the Insurance Department to deposit the "health and welfare fee" in the Insurance Fund instead of the General Fund. By law, the insurance commissioner assesses this fee annually against each (1) domestic insurer and HMO conducting health insurance business in Connecticut, (2) third-party administrator (TPA) providing administrative services for self-insured health benefit plans, and (3) domestic insurer exempt from TPA licensure who administers self-insured health benefits.

By law, the health and welfare fee is used to pay for the purchase, storage, and distribution of vaccines under DPH's Connecticut Vaccine Program, as well as for other vaccine, biologic, and antibiotic purchase and distribution. The OPM secretary, in consultation with DPH, must annually determine the amount appropriated for these purposes.

The act also requires the insurance commissioner to (1) identify the health and welfare fee as such on the annual statement he sends to each assessed entity; (2) calculate, in consultation with the DPH commissioner, the difference between the OPM secretary's appropriation and actual expenditures from the prior fiscal year; and (3) adjust the health and welfare fee by the calculated difference.

§ 67 — PUBLIC UTILITIES REGULATORY SETTLEMENTS WITH SUPPLIERS

The law allows the Public Utilities Regulatory Authority (PURA) to (1) impose civil penalties on electric suppliers, among other entities, that violate the laws on utilities and (2) enter into settlement agreements with violators. The act requires that the amount of any settlement executed prior to June 30, 2014 between the Attorney General's Office and an electric supplier be deposited into a separate non-lapsing account to fund PURA for expenses relating to consumer assistance, consumer education, and enforcement activity relating to electric suppliers.

PURA must obtain the OPM secretary's approval to access money in the account and can only use the money for the purposes, in the amounts, and at such times, as approved by the secretary.

EFFECTIVE DATE: Upon passage

§ 68 — REPORTING ON CONNECTICUT STATE UNIVERSITY SYSTEM (CSUS) INITIATIVES

The act requires BOR to appear twice before relevant legislative committees and submit monthly written reports to the committees and OPM on four initiatives related to the CSUS. Specifically, BOR must report on expenditures and programming related to:

1. developmental education, a type of remedial academic support;
2. the Go Back to Get Ahead program (described in § 176 below), established by this act to encourage individuals to return to school and earn an associate's or bachelor's degree;
3. the state's early college/dual enrollment program; and
4. the transformation of the CSUS.

The act requires BOR to appear before the Higher Education and Employment Advancement and Appropriations committees to report on these topics by September 1, 2014 and again by December 1, 2014. It also requires BOR to submit monthly written reports on these topics to these committees and OPM by October 1, 2014 and through June 1, 2015.

EFFECTIVE DATE: Upon passage

§§ 69-70 — FALL PREVENTION PROGRAM OVERSIGHT AND AGING DEPARTMENT

A 2013 law transferred oversight of DSS' Fall Prevention Program to the Department on Aging (PA 13-125). The act makes conforming changes. By law, the program must (1) promote and support fall prevention research; (2) oversee research and demonstration projects; and (3) establish, in consultation with the DPH commissioner, a professional education program on fall prevention for healthcare providers.

EFFECTIVE DATE: Upon passage

§ 71 — DMHAS HOUSING SUBSIDIES

By law, the DMHAS commissioner, within available appropriations, may provide housing-related subsidies to people who receive DMHAS services. The act specifies that these subsidies are for people who qualify for supportive housing under the state's permanent supportive housing initiative, which the department operates in collaboration with several other state agencies. (PA 14-46 increases the number of agencies with whom DMHAS must collaborate in administering the supportive housing initiative and gives the agencies more discretion in determining eligibility under the program.)

The act gives the commissioner the authority to permit agencies who distribute these subsidies on DMHAS' behalf to use any unspent money remaining at

the end of a fiscal year for the same purpose in the following fiscal year.

(PA 14-138 contains identical provisions but with a later effective date.)

EFFECTIVE DATE: Upon passage

§ 72 — SECURITY DEPOSIT GUARANTEE PROGRAM

By law, DOH, through its Security Deposit Guarantee Program and within available appropriations, must provide security deposit guarantees (payment for any damages that occur) to financially eligible people living in emergency housing or receiving a government rental subsidy. The act requires the DOH commissioner to prioritize providing these guarantees to eligible veterans. The law allows her to establish priorities for providing guarantees to eligible applicants to administer the program within available appropriations.

§ 73 — CONNECTICUT HOME CARE PROGRAM FOR ADULTS WITH DISABILITIES (CHCPD) EXPANSION

The act increases, from 50 to 100, the number of people who may receive services through CHCPD. CHCPD, a state-funded pilot program administered by DSS, provides home- and community-based services to certain people with disabilities as an alternative to nursing home care.

§ 74 — MEDICAID OVER-THE-COUNTER DRUG COVERAGE EXPANSION

The act expands the types of over-the-counter drugs that DSS may pay for through its medical assistance programs to include those that must be covered as essential health benefits under the federal Affordable Care Act (ACA), including drugs rated "A" or "B" in the current U.S. Preventive Services Task Force (USPSTF) recommendations for people with specific diagnoses (see Background). USPSTF's recommendations currently include (1) aspirin for men age 45 to 79 and women age 55 to 79 to prevent cardiovascular disease and (2) folic acid for women who are pregnant or capable of pregnancy. The law generally bans DSS from paying for over-the-counter drugs, with the following exceptions:

1. over-the-counter drug coverage through the Connecticut AIDS Drug Assistance Program;
2. insulin or insulin syringes;
3. nutritional supplements for people who must be tube fed or who cannot safely get nutrition in any other form; and
4. smoking cessation drugs.

EFFECTIVE DATE: Upon passage

Background — USPSTF

The USPSTF is an independent panel of primary care providers who are experts in prevention and evidence-based medicine. The panel develops recommendations for primary clinicians and health systems based on scientific evidence reviews of clinical preventive health care services. The USPSTF assigns preventive services it recommends a grade of “A” (there is a high certainty that the net benefit is substantial) or “B” (there is a high certainty that the net benefit is moderate or a moderate certainty that the net benefit is moderate to substantial).

Since September 23, 2010, the ACA has required new individual and group health insurance plans to provide full coverage for preventive care and screenings that the USPSTF recommends, including vaccinations and cancer screenings (42 USC § 300gg-13(a)).

§ 75 — MANUFACTURERS’ DISCLOSURE REQUIREMENTS FOR PAYMENTS TO APRNS

PA 14-12 requires manufacturers of covered drugs, devices, biologicals, and medical supplies to report on payments or other transfers of value they make to advanced practice registered nurses (APRNs) practicing in Connecticut. This act requires manufacturers to report the information to the Department of Consumer Protection (DCP), instead of DPH, quarterly in the form and manner the DCP commissioner prescribes. The act makes the first report due by July 1, 2015, instead of January 1, 2015. It also allows the DCP commissioner, instead of the DPH commissioner, to publish the information on his department’s website.

The law applies to manufacturers of drugs, devices, biologicals, or medical supplies covered by Medicare or Medicaid, including a Medicaid waiver. The law does not apply to transfers made indirectly to an APRN through a third party, in connection with an activity or service in which the manufacturer is unaware of the APRN’s identity.

EFFECTIVE DATE: October 1, 2014

§ 76 — LIMITATION ON MEDICAID ESTATE RECOVERY

By law, the state has a claim against the estates of certain former public assistance recipients, including Medicaid recipients, to recover the cost of assistance provided. The act exempts Medicaid recipients in the Medicaid Coverage for the Lowest Income Populations program from this provision, except to the extent federal law requires such recovery. The exemption applies to services provided on or after January 1, 2014.

For this population, federal law requires states to recover costs from the estates of Medicaid recipients who, at age 55 or older, received (1) nursing facility

services, (2) home- and community-based services, or (3) related hospital and prescription drug services. Federal law allows states to recover any other services under the state Medicaid plan, except for services related to Medicare cost-sharing.

EFFECTIVE DATE: Upon passage

§ 77 — HOSPITAL FACILITY FEES

The act requires the state comptroller to study and report on how facility fees and the total fees hospitals or health systems charge or bill for outpatient hospital service impact state employees’ health insurance plans. It defines a “facility fee” as any hospital or health system fee charged for outpatient services provided in a facility the hospital or health system owns or operates that is (1) separate and distinct from the fee charged for providing professional medical services and (2) intended to compensate the hospital or health system for its operational expenses. A “health system” is a (1) parent corporation of one or more hospitals and any entity affiliated with the parent corporation through ownership, governance, membership, or other means or (2) hospital and any entity affiliated with it through ownership, governance, membership, or other means.

By December 1, 2014, the act requires the comptroller to analyze the facility fees and total fees’ impact on the state employee plans. The analysis must include at least five service types or categories for which (1) hospitals or health systems charge facility fees or (2) the total fees charged by a hospital or health system exceed those charged by other medical service providers for comparable services.

By March 1, 2015, the comptroller must determine the amount of facility fees and total fees charged by hospitals or health systems for the selected service types or categories, on an aggregate basis and by individual hospitals and health systems. The comptroller must make this determination in collaboration with insurers or third-party administrators that issue or administer the state employee health insurance plans. He must also determine the fees’ appropriateness and reasonableness using criteria that include:

1. a comparison of a typical facility fee in proportion to the professional fee charged by a medical service provider,
2. a comparison of the total fees charged by a provider before and after the provider became affiliated with a hospital or health system, and
3. the extent to which the facility fee or any increase in total fees charged by a hospital or health system is associated with improving enrollees’ service and outcomes.

Lastly, the comptroller must determine the feasibility of removing the fees he deems inappropriate or unreasonable by July 1, 2015.

By October 1, 2015, the act requires the comptroller to submit a report on his analysis and determinations to the governor, General Assembly, and Health Care Cost Containment Committee (HCCCC). The report must include how limiting facility or total fees would affect state employees' health insurance plans and their enrollees.

The act allows the comptroller to consult with the HCCCC to implement any of these requirements. (The HCCCC is a state labor and management committee that exists under a collective bargaining agreement with the State Employees' Bargaining Agent Coalition.)

EFFECTIVE DATE: Upon passage

§ 78 — DSS ANALYSIS

The act requires DSS to analyze, by November 1, 2014, the cost of providing services under the (1) Connecticut Home-care Program for the Elderly and (2) pilot program to provide home care services to persons with disabilities. The DSS commissioner must determine necessary reimbursement rates for providers and report, by January 1, 2015, a summary of the analysis to the Appropriations and Human Services committees.

EFFECTIVE DATE: Upon passage

§ 79 — JUVENILE JUSTICE POLICY AND OVERSIGHT COMMITTEE (JJPOC)

The act establishes the 35-member JJPOC to evaluate and report on (1) juvenile justice system policies and (2) the extension of juvenile jurisdiction to 16- and 17-year-olds. The committee includes legislators, Executive and Judicial Branch officials, child and youth advocates, and parents or parent advocates. The committee's reporting responsibilities end on January 1, 2017.

Committee Members and Appointments

The 35-member committee consists of:

1. two legislators, one appointed by the Senate president pro tempore and the other by the House speaker;
2. the chairpersons and ranking members of the Appropriations, Children's, Human Services, and Judiciary committees, or their designees;
3. the chief court administrator or his designee;
4. a Superior Court judge for juvenile matters, appointed by the chief justice;
5. the Judicial Branch's Court Support Services Division (CSSD) executive director or his designee;
6. the Superior Court operations division's executive director or his designee;
7. the chief public defender or her designee;

8. the chief state's attorney or his designee;
9. the commissioners of (a) DCF, (b) Department of Correction (DOC), (c) State Department of Education (SDE), and (d) DMHAS, or their designees;
10. the Connecticut Police Chiefs Association president or his designee;
11. two child or youth advocates, each appointed by the JJPOC's chairpersons;
12. two parents or parent advocates, one each appointed by the Senate and House minority leaders (at least one of whom must be the parent of a child who has been involved with the juvenile justice system);
13. the child advocate or her designee; and
14. the OPM secretary or his designee.

All appointments must be made by July 13, 2014 and any vacancies must be filled by the appointing authority. All committee members must serve without compensation, except for expenses incurred in the performance of their duties.

The OPM secretary, or his designee, and a legislator jointly selected by the Senate president pro tempore and the House speaker from among JJPOC's members, must chair the committee. The chairpersons must schedule and hold the first meeting by August 12, 2014.

Reporting Requirements

The act requires JJPOC to submit specific reports to the Appropriations, Children's, Human Services, and Judiciary committees and the OPM secretary by January 1, 2015, July 1, 2015, and quarterly from then until January 1, 2017. As outlined below, each report must include specific recommendations to improve outcomes and a timeline by which to achieve specific tasks or outcomes. JJPOC must submit these reports after consulting with one or more organizations that focus on relevant children and youth issues, such as the University of New Haven and any of the university's institutes. It must also work in collaboration with any initiative implemented by the Results First Policy Oversight Committee, which PA 13-247 established to advise on the development and implementation of the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation Results First cost-benefit assessment model.

January 1, 2015 Report. Under the act, JJPOC must, by January 1, 2015, submit a report:

1. recommending any statutory changes in the juvenile justice system to (a) improve public safety; (b) promote the best interests of children and youth under the supervision, care, or custody of the DCF commissioner or CSSD; (c) improve transparency and accountability

- with respect to state-funded services for children and youth in the juvenile justice system with an emphasis on the goals identified by the committee for community-based programs and facility-based interventions; and (d) promote the efficient sharing of information between DCF and the Judicial Branch to ensure regular collection and reporting of recidivism data and promote public welfare and public safety outcomes related to the juvenile justice system;
2. recommending (a) a definition of “recidivism” state agencies with juvenile justice system responsibilities can use and (b) ways to reduce recidivism for children and youth in the juvenile justice system;
 3. setting short-term goals to be met within six months, medium-term goals to be met within 12 months, and long-term goals to be met within 18 months, for JJPOC and state agencies with juvenile justice system responsibilities, after considering existing relevant reports related to the juvenile justice system and any related state strategic plan;
 4. determining the impact of legislation that expanded the juvenile court jurisdiction to include persons age 16 and 17, as measured by the following: (a) any change in the average age of children and youth involved in the juvenile justice system; (b) the types of services used by designated age groups and the outcomes of those services; (c) the types of delinquent acts or criminal offenses that children and youth have been charged with since the enactment and implementation of the legislation; and (d) the gaps in services the committee identifies with respect to children and youth involved in the system, including those who turn age 18 after being involved in the system, and recommendations to address such gaps (Connecticut raised the age of juvenile court jurisdiction to include 16-year-olds on January 1, 2010 and 17-year-olds on July 1, 2012); and
 5. identifying strengths and barriers that support or impede the educational needs of children and youth in the juvenile justice system, with specific recommendations for reforms, according to a timeframe JJPOC must establish for reviewing and reporting on this initiative.

July 1, 2015 Report. The act requires JJPOC, by July 1, 2015, to submit a report on the following:

1. the quality and accessibility of diversionary programs available to children and youth in the state, including juvenile review boards and services for a child or youth who is a member

- of a family with service needs (FWSN) (see Background);
2. an assessment of the system of community-based services for children and youth under the supervision, care, or custody of the DCF commissioner or CSSD;
3. an assessment of the congregate care settings that are operated privately or by the state and have housed children and youth involved in the juvenile justice system in the past 12 months;
4. an examination of how SDE, local boards of education, DCF, DMHAS, CSSD, and other appropriate agencies can collaborate through school-based efforts and other processes, to reduce the number of children and youth who enter the juvenile justice system as a result of being a member of a FWSN or convicted as delinquent;
5. an examination of practices and procedures that result in a disproportionate number of minority youth coming into contact with the juvenile justice system;
6. a plan to require that all facilities and programs that are part of the juvenile justice system and are operated privately or by the state provide results-based accountability (i.e., expected goals are clearly articulated and data is regularly collected and reported to determine whether goals have been achieved); and
7. an assessment of the number of children and youth who, after being under DCF’s supervision, are convicted as delinquent.

JJPOC must establish a timeframe for reviewing and reporting regarding the responsibilities outlined above.

The July 1, 2015 report must also include an assessment of the overlap between the juvenile justice system and the mental health care system for children.

Quarterly Reports. JJPOC must submit quarterly reports on the progress of its goals and measures starting by July 1, 2015 until January 1, 2017.

EFFECTIVE DATE: Upon passage

Background — FWSN

“Family with service needs” means a family that includes a child at least age seven and under age 18 who:

1. has, without just cause, run away from the parental home or other properly authorized and lawful residence;
2. is beyond the control of his or her parent, parents, guardian, or other custodian;
3. has engaged in indecent or immoral conduct;

4. is a truant or habitual truant or who, while in school, continuously and overtly defies school rules and regulations; or
5. is age 13 or older and has engaged in sexual intercourse with a person age 13 or older who is not more than two years older or younger than him or her (CGS § 46b-120(5)).

§§ 80-82 — DOC PROGRAM EVALUATIONS

The act transfers \$330,000 of DOC's Other Expenses FY 15 appropriation to DOC's new Program Evaluation account. DOC must use the money for training, quality assurance, and evaluation of programs to support community reentry and community programs. The money may be used for training programs for staff of (1) private, nonprofit providers; (2) DOC, including parole officers; and (3) other state agencies and municipalities. The Institute for Municipal and Regional Policy at Central Connecticut State University (IMRP) may include the quality assurance findings and program evaluation data in its Results First Initiative project.

The act also requires the DOC commissioner, by May 31, 2015, to assess the effectiveness of DOC's (1) vocational education programs and (2) Medication Assisted Therapy pilot project for people in DOC custody. Each assessment must consider findings from the Pew-MacArthur Results First Initiative's cost-benefit analysis model with respect to the programs and project. (The Results First Initiative works with states to implement an innovative cost-benefit analysis approach that helps them invest in effective policies and programs.) After conducting the assessment, the commissioner must determine whether any program changes may be implemented to improve the cost-effectiveness of the programs or the project.

By June 30, 2015, the commissioner must report to the Appropriations and Judiciary committees and the Results First Policy Oversight Committee (1) describing each assessment, (2) identifying any program and project changes implemented by DOC as a result of the assessment, and (3) recommending additional statutory or program changes that may improve cost-effectiveness.

EFFECTIVE DATE: Upon passage, except for the fund transfer, which is effective July 1, 2014.

§ 83 — EVALUATION OF FAMILY THERAPY PROGRAMS

The act requires IMRP, by May 31, 2015, to assess the effectiveness of the multidimensional family therapy program administered by DCF for people committed to the custody of both DCF and CSSD. The assessment must consider findings from the Results First Initiative's

cost-benefit analysis model regarding this program. IMRP, DCF, and CSSD must enter into a memorandum of understanding relating to the institute's assessment. After conducting the assessment, IMRP, in consultation with DCF and CSSD, must recommend changes to improve the program's cost-effectiveness.

By June 30, 2015, IMRP must report to the Appropriations, Children's, and Judiciary committees and the Results First Policy Oversight Committee (1) describing the assessment; (2) identifying any program changes implemented by DCF as a result of the assessment; and (3) making any recommendations that IMRP, the DCF commissioner, and CSSD consider appropriate for additional statutory or program changes that may improve the program's cost-effectiveness.

EFFECTIVE DATE: Upon passage

§ 84 — EVALUATION OF DCF PROGRAMS

The act requires IMRP, by May 31, 2015, to assess the effectiveness of juvenile parole services programs administered by DCF for people committed to its custody. The assessment must consider findings from the Results First Initiative's cost-benefit analysis model regarding these programs. After conducting the assessment, the institute, in consultation with DCF, must recommend program changes that may improve the programs' cost-effectiveness.

By June 30, 2015, the institute must report to the Appropriations and Children's committees and the Results First Policy Oversight Committee (1) describing the assessment, (2) identifying any program changes implemented by DCF as a result of the assessment, and (3) making any recommendations that the institute and the DCF commissioner consider appropriate for additional statutory or program changes that may improve the programs' cost-effectiveness.

EFFECTIVE DATE: Upon passage

§ 85 — FAMILY VIOLENCE MEDIATION PILOT PROGRAM

The act requires the Judicial Branch, within available appropriations, to establish a family violence mediation pilot program on the juvenile docket in two judicial districts for children who commit delinquent acts of family violence. Mediation services may be provided by private agencies under contract with CSSD.

The act requires, by July 1, 2015, (1) CSSD, within available appropriations, to evaluate the program and the feasibility of expanding it to other districts and (2) the CSSD executive director to report on the evaluation to the Judiciary Committee and the JJPOC (see § 79).

Under the act, parties to an alleged delinquent act involving family violence may agree to participate in mediation with an impartial third party approved by the

Superior Court to work toward a mutually satisfactory disposition. A juvenile probation officer, or the court, upon motion of any party, may refer cases involving children who commit such acts to the program.

Any child participating in the program must be supervised by a juvenile probation officer. When the court receives a report from the probation officer that the child's progress was satisfactory and mediation successful, it must dismiss the charges pertaining to the delinquent act and order records of the charges erased.

If the probation officer gets a report that mediation was unsuccessful, the child no longer wants to participate in the program, or the child has failed to comply with the terms of the mediation agreement, he or she must notify the prosecutor in charge of the case, and the prosecutor may initiate delinquency or criminal proceedings against the child.

If a child is under DCF supervision when his or her case is referred to the program, the court or probation officer must notify DCF of the referral.

§ 86 — CLEAN WATER FUNDING

The act increases, by 5%, the Clean Water funding amount a particular town receives for the design and construction of six types of eligible water quality projects. (Presumably, the amount will only be awarded for one type of project.) It specifies the increased funds are for a municipality with, in 2012, a population of between 40,000 and 42,000 and a municipal sewer system providing a regional treatment capacity to at least five abutting municipalities with fewer than 5,000 people each (i.e., Norwich). Under the act, a loan is available for the remainder of the project's costs, but the loan must not exceed the total cost.

The Clean Water Fund provides grants and loans to municipalities, financed by a combination of federal funding, state general obligation bonds for the grant portion, and state revenue bonds for the loan portion. By law, an eligible water quality project includes the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction, or acquisition of a Department of Energy and Environmental Protection (DEEP)-approved water pollution control facility (CGS § 22a-475).

§§ 87 & 88 — HEALTH INSURANCE EXCHANGE

Exchange Assessment or Fee Enforcement

The act requires the Connecticut Health Insurance Exchange's chief executive officer to give the insurance commissioner the name of any health carrier (e.g., insurer) that fails to pay any assessment or user fee the exchange charges. The law allows the exchange to charge assessments or user fees to health carriers

capable of offering qualified health plans through the exchange. A qualified health plan is one certified as meeting criteria outlined in the federal ACA and state law.

The act explicitly requires the commissioner to see that the assessment or user fee law is faithfully executed. It allows him to use all powers granted him by law and all further powers reasonable and necessary to enforce the law (e.g., suspend or revoke licenses, impose fines, or issue cease and desist orders). By law, unchanged by the act, the exchange may impose interest and penalties on a health carrier that is late in paying the assessment or fee.

The act allows a health carrier aggrieved by the commissioner's administrative action to appeal to New Britain Superior Court in accordance with the UAPA.

Insurance Commissioner's Authority

By law, unless expressly specified, the state's health insurance exchange laws and the exchange's actions under those laws do not preempt, supersede, or affect the insurance commissioner's authority to regulate insurance in Connecticut. The act adds that the state's all-payer claims database law and the exchange's actions under it similarly do not preempt, supersede, or affect his authority.

Health Carriers' Compliance with Laws

The act alters the compliance requirements of health carriers with respect to the exchange. Under prior law, health carriers offering qualified health plans in Connecticut had to comply with all applicable state health insurance laws and regulations and the insurance commissioner's orders. The act instead requires such health carriers to comply with all applicable (1) health insurance exchange and all-payer claims database laws and (2) procedures adopted by the health insurance exchange's board of directors.

EFFECTIVE DATE: Upon passage

§§ 89-107 — *SHEFF V. O'NEILL* – 2013 STIPULATION

The act contains numerous provisions that carry out the newest phase of *Sheff v. O'Neill*, the Hartford school desegregation court case. In December 2013, the state and the *Sheff* plaintiffs reached a new court-approved agreement on additional efforts to integrate Hartford schools (officially referred to as the Phase III stipulation). Both the 2008 and the 2013 settlements seek to promote racial diversity in schools, in part by promoting interdistrict magnet schools. Generally, the act makes magnet schools eligible for enhanced funding if they promote the goals of the settlement; by law, schools were eligible for funding if they promoted the

goals of the 2008 settlement.

The act makes numerous conforming and technical changes to reflect the Phase III stipulation.

§ 89 — Limits on Magnet School Grants for Enrollment Increases After October 1, 2013

For FY 15, the act permits SDE to limit payment to an interdistrict magnet school to an amount the school was eligible to receive based on its enrollment level on October 1, 2013. It permits additional funding for additional students enrolling after October 1 based on priorities the act establishes. This means student enrollment increases after October 1 will not automatically increase student funding.

The act requires SDE to prioritize additional magnet school funding in the following order:

1. increases in enrollment for a school adding planned new grade levels;
2. increases in enrollment for a school moving into a permanent facility for the school year starting July 1, 2014;
3. increases in enrollment for a school to ensure compliance with the state magnet school law's requirements for racial and economic diversity, special curriculum, and at least a half-time educational program; and
4. new enrollments for a new magnet school starting operation on or after July 1, 2014, to help meet the 2013 *Sheff* stipulation.

§ 89 — Revised Definition of Racial Diversity

The act provides a revised definition of racial diversity under the interdistrict magnet school law as it applies to *Sheff* magnet schools. The law requires a magnet school to have at least 25% but no more than 75% minority students, and racial minorities are defined as those whose (1) race is other than white or (2) ethnicity is defined as Hispanic or Latino by the U.S. Census. The act modifies this for *Sheff* magnets, where the enrollment must now meet the reduced isolation setting standards of the 2013 stipulation. This means no more than 75% of the students can identify themselves as any part Black/African American or any part Hispanic. Thus, for purposes of *Sheff* magnets, Asians, Alaskan Natives, Native Americans, Native Hawaiians, or other Pacific Islanders will not be counted as minorities. This, in turn, makes it somewhat easier to reach the diversity goals of *Sheff* because some students who used to count as minority will now count as non-minority.

The act requires a magnet school governing authority to restrict the number of students from a participating district enrolling in the magnet school in order to meet the 2013 settlement's reduced isolation

standard. A governing authority may be a board of education, a regional education service center (RESC), an institution of higher education, or a combination of these.

§ 89 — Extending Single District Enrollment Exception to Magnet Schools Under New Sheff Agreement

With some exceptions, the education commissioner is barred by law from providing magnet school grants to schools where more than 80% of the students are from one school district. The act extends the exemption to cover schools under the new *Sheff* stipulation.

§ 89 — Special Magnet School Per-Student Operating Grant

The act potentially reduces a special state per-student operating grant for one magnet school.

By law, most magnet schools run by RESCs that (1) do not help implement the *Sheff* settlement and (2) enroll 55% or more of their students from a single town receive a state grant of \$3,000 annually for each student from that town. The act reduces the per-student grant for some students at a school, the Thomas Edison Magnet Middle School in Meriden, that receives \$8,180 for each student.

The act maintains the \$8,180 grant for the number of students in the October 1, 2013 student count, but lowers the grant for any additional students enrolled above the October 1, 2013 number. It also sets different grant numbers for students attending from inside the district and those attending from outside. Table 1 shows the change under the act. (The act affects a school that began operations in the 2001-02 school year and, for the 2008-09 school year, enrolled between 55% and 80% of its students from a single town, a description that applies only to the Edison Magnet Middle School.)

Table 1: Edison Magnet Middle School Grant Changes

| Residency of Students | Per Pupil Grant | |
|-----------------------|--|--|
| | Students at or Below the Enrollment Count of October 1, 2013 | Students Above the Enrollment Count of October 1, 2013 |
| Inside the district | \$8,180 | \$3,000 |
| Outside the district | 8,180 | 7,085 |

§ 89 — Payment Schedule for Goodwin College Senior Academy Magnet School

The act makes a magnet school that uses a trimester school calendar and is operated by an independent college or university eligible for the same per-student state magnet school grant, \$10,443, as other *Sheff*

magnets. (The Goodwin College Senior Academy magnet school appears to be the only one affected.) The school must:

1. begin operations for the school year commencing July 1, 2014,
2. enroll less than 60% of its students from Hartford pursuant to *Sheff*, and
3. enroll students on a trimester basis.

A student must be enrolled for at least two of the three trimesters for the fiscal year ending June 30, 2015 to receive the grant.

The act modifies the payment schedule, based on a trimester school year, for the per-student magnet school grant paid to an independent college or university that operates a magnet school. By law, initial payments to magnet school governing authorities must be made by September 1 with the remainder paid by May 1. For FY 15 and each following year, the act requires SDE to pay by the following schedule for trimester schools:

1. 30% of the grant amount by August 1 based on estimated student enrollment on July 1,
2. 30% by October 1 based on estimated enrollment on September 1, and
3. the balance by May 1 of each fiscal year.

The May payment must be adjusted to reflect actual enrollment in the magnet school for those who have been enrolled for two of three trimesters of the school year. The May payment may be further adjusted for the difference between the total grant received in the prior fiscal year and the revised grant amount calculated for the prior fiscal year in cases where the financial audit submitted by the magnet school governing authority indicates an SDE overpayment.

§ 89 — Limit on SDE Expense for Administration

The act caps at \$500,000 the share of the total magnet school appropriation that SDE may retain for evaluation and administration. The new cap is applied to the prior law's authorization of up to 0.5% of the amount appropriated for evaluation and administration.

§ 90 — Renzulli Gifted and Talented Academy

The act requires SDE, within available appropriations, to award a grant of up to \$250,000 to the Hartford school district for program development and expansion of the Dr. Joseph S. Renzulli Gifted and Talented Academy to assist the state in meeting the *Sheff* 2013 stipulation goals. The grant is available for FY 15 and each following year. Applications for the grant funds must be submitted annually to the education commissioner when and how he prescribes.

Under the act, starting with the 2014-15 school year, any student who is not a Hartford resident who applies and is enrolled at Renzulli is considered enrolled

under the state's Open Choice program. The Open Choice program aims to reduce racial isolation by giving districts grants for accepting students from other districts. The act permits any student accepted into Renzulli, based on its selective admissions policy, to be considered part of Open Choice, regardless of race. This allows the Hartford school district, Renzulli's parent district, to receive a per-student Open Choice grant for any student from outside Hartford who attends the school.

The act specifies that the grants Renzulli receives under these provisions do not reduce its eligibility for any other state grant to which it may be entitled.

§ 91 — Sheff Lighthouse School

The act creates a program for the Hartford school district to receive an annual grant to convert an existing neighborhood school into a *Sheff* lighthouse school. SDE must, within available appropriations, award an annual grant of \$750,000 to Hartford for FY 15 through FY 18 to assist in the development of curricula and staff training for the lighthouse school.

The act refers to the 2013 *Sheff* stipulation to define the lighthouse schools as schools designated for additional funding and initiatives designed to improve educational outcomes while serving their neighborhoods or the entire city. By offering improved programs, the schools aim to stabilize neighborhoods and improve racial integration. The stipulation states that all teachers at the lighthouse school will remain Hartford public school teachers.

The act requires the lighthouse school to be selected through a collaborative process approved by the Hartford board of education and education commissioner. (Hartford has already started the process.)

Starting with the 2014-15 school year, the act allows any student who is not a Hartford resident to apply to enroll in the lighthouse school and, if enrolled, is considered enrolled under the state's Open Choice program. This means the Hartford school district receives a per-student Open Choice grant for any student who attends the lighthouse school who is not from Hartford.

§ 92 — Supplemental Sheff Magnet Transportation Grants

The act extends specific payment dates for supplemental *Sheff* magnet school transportation grants consistent with payment dates for previous fiscal years. For FYs 14 and 15, SDE must pay up to 50% of the grant by June 30 and the balance by September 1 on completion of the comprehensive financial review.

§§ 93, 95-100, & 105 — *Minor and Technical Changes*

The act specifies that previously authorized grants for leasing space and purchasing equipment for schools under *Sheff* may also be used for renovating space.

It also makes technical changes related to the new *Sheff* stipulation.

§ 94 — *RESC Magnet School Tuition*

The act extends the law on tuition payments from sending towns to RESC magnet schools that help promote *Sheff* goals. It does so by eliminating a restriction that these payments only go to RESC magnet schools that began operation on or after July 1, 2008.

§§ 101-104 — *Sheff School Construction Reimbursement Rate Changes and Authorization for Education Commissioner to Pay CREC's Local Construction Share*

The act increases the school construction reimbursement rate for three new *Sheff* magnet schools. The schools are Greater Hartford Academy of the Arts Elementary Magnet School, Greater Hartford Academy of the Arts Middle Magnet School, and the Two Rivers Magnet High School; all are existing schools moving to new facilities.

By law, magnet schools receive an 80% reimbursement rate. The act authorizes a 95%, rather than an 80%, state reimbursement rate for these three magnet schools planned by the Capital Region Education Council (CREC). Towns, regional districts, and RESCs, like CREC, are reimbursed by the state for eligible school construction costs.

The act also authorizes the education commissioner to pay both the state and local shares (the local share would be the remaining 5%) of eligible project costs for the three CREC schools mentioned above. CREC must repay this local share. The act adds this authorization to an existing special act provision that gave the commissioner the same authority for six other CREC projects. By law, towns and districts pay a share of school construction costs.

EFFECTIVE DATE: Upon passage, except for the authorization regarding the local share of school construction costs, which is effective July 1, 2014.

§§ 106 & 107 — *Capital Startup Grant Liens or Repayments*

The act exempts CREC from lien or repayment of capital startup cost grants of up to \$17 million in one previous school construction project authorization and up to \$7.5 million in another.

Both grant authorizations were to purchase buildings or portable classrooms, lease space, and

purchase equipment, including computers and classroom furniture.

EFFECTIVE DATE: Upon passage

§ 108 — *CAP ON STATE TRANSPORTATION GRANTS*

The act extends a cap on state transportation formula grants to school districts and RESCs for two more fiscal years, through June 30, 2015. The cap requires grants to be proportionately reduced when state budget appropriations do not cover the full amounts required by the statutory formula. This grant was not capped last year when a number of other education grants were. In practice, SDE operated in FY 14 as if the cap were in place.

EFFECTIVE DATE: Upon passage

§ 109 — *PRIORITY SCHOOL DISTRICT SUPPLEMENTAL GRANTS*

Priority school districts (PSDs) are districts with high levels of student poverty and low student scores on standardized tests. By law, they are eligible for certain additional state aid. The act updates two existing provisions for supplemental grants under the PSD program.

Under prior law, there was a State Board of Education (SBE) allocation of \$2,929,364 for FY 13. The act establishes an allocation of \$2,925,481 for FY 14 and \$2,882,368 for FY 15. As with existing law, the SBE must allocate a share of these supplemental funds to each priority district in proportion to its regular PSD grant. The money is in addition to all other PSD grants each district receives. The act specifies that a PSD can carry forward from FY 14 to FY 15 any unexpended PSD funds allocated to it under the act after May 1, 2014.

The act extends another provision for supplemental priority district funding for \$2,610,798 to FY 15. Under prior law this provision expired at the end of FY 13.

EFFECTIVE DATE: Upon passage

§ 112 — *CHANGES TO CHARTER SCHOOL LAW*

The act changes the formula for determining how much funding a local or regional board of education must provide to a local charter school it sponsors. Under prior law, the funding support from the board was the product of the number of students and the per-pupil cost for the prior year minus the state reimbursement for special education excess costs. The act changes the per-pupil part of the equation to the per-pupil cost for the fiscal year two years before the year the board funding will be provided and does not subtract the reimbursement received under the special education excess cost grant.

It also changes the definition of per-pupil cost for the local or regional board from net current expenditure divided by average daily student membership to current program expenditures divided by number of resident students. Depending upon the circumstances, this could either increase or decrease the aid from the school district to the school.

Finally, the act changes the date, from April 15 to April 1, by which the state must make the final installment of its scheduled four-part payment to a local charter school for the per-student annual grant. There are currently no local charter schools in Connecticut, but one has been approved to open in New Haven in the fall of 2014.

EFFECTIVE DATE: Upon passage

§§ 113 & 114 — ALLIANCE DISTRICT FUNDS: NONSUPPLANT PROVISION AND MAGNET SCHOOL TUITION

The act explicitly requires state education aid distributed to towns designated as alliance districts to be spent (1) for educational purposes only, (2) upon local or regional board of education authorization, and (3) in accordance with the law governing alliance district funding and expenditures. It also requires any town that receives alliance district funds from the education commissioner to pay all such funds to its local or regional board of education, which must spend them in accordance with (1) the three aforementioned state aid expenditure provisions, (2) the town's alliance district plan, and (3) any other alliance district guidelines developed by SBE. These "nonsupplant" provisions prevent towns from diverting state education funds earmarked for alliance district plan purposes to other non-alliance district or non-educational purposes.

By law, towns designated as alliance districts (the 30 school districts with the lowest district performance index scores) receive increased state education aid that they must spend to further the goals of SDE-approved improvement plans.

The act also authorizes the education commissioner to permit a board of education, as part of its alliance district plan, to use a portion of its alliance funds to pay magnet school tuition for any of its students attending (1) any RESC-operated magnet school or (2) the Great Path Academy operated by Hartford public schools at Manchester Community College.

EFFECTIVE DATE: Upon passage

§ 115 — PUBLIC SCHOOL MASTERY TEST DATES

Beginning in the 2013-14 school year, the act allows students enrolled in grades three through eight and 10 or 11 to take an annual mastery examination in

reading, writing, and mathematics during any month of the school year. Prior law allowed such annual testing only in March or April.

§ 116 — MAGNET SCHOOL DIVERSITY REQUIREMENTS

The act reinstates a law that allows magnet schools to remain eligible for state grants even if they submit enrollment data that does not comply with state racial minority requirements due to 2010 changes in federal racial and ethnic reporting requirements. Previously, the law allowed noncomplying magnet schools to remain eligible based on enrollment data submitted on or before October 1, 2011 and October 1, 2012. The act extends such eligibility to noncompliant enrollment data submitted on or before October 1, 2013 and October 1, 2014.

It also extends, from January 1, 2013 to January 1, 2015, the deadline for SDE to submit a report to the Education Committee recommending legislation to conform the racial minority enrollment requirements for magnet schools to changes in federal law. The recommendations must reflect the regional demographics of the magnet school programs and the diverse populations attending the magnet schools.

EFFECTIVE DATE: Upon passage

§ 117 — EARLY LITERACY PILOT EXTENSION

PA 11-85 authorized the education commissioner to (1) conduct a pilot study to promote best practices in early literacy and closing academic achievement gaps, (2) identify schools to participate in the study, and (3) report the study's findings to the Education Committee by October 1, 2013. PA 12-116 extended the pilot through the school year starting July 1, 2013 and delayed the reporting deadline to October 1, 2014.

The act extends the pilot once again through the school year starting July 1, 2015. It also delays the commissioner's reporting deadline on the pilot to October 1, 2016 and requires the commissioner to submit the report to the Appropriations Committee in addition to the Education Committee.

By law, "achievement gaps," in relation to this study, mean a significant disparity in the academic performance of students among and between (1) racial, ethnic, and socioeconomic groups; (2) genders; and (3) English language learners and students whose primary language is English.

EFFECTIVE DATE: Upon passage

§§ 118 & 119 — PER-STUDENT GRANT AND TUITION FOR REGIONAL AG-SCIENCE CENTERS

The act increases, from \$2,750 to \$3,200, the per-student state grant for regional agricultural science and

technology centers. For FY 15, as was the case for the previous fiscal year, it allows a board of education that operates a center to spend the increased state grant even if it exceeds the total amount budgeted for education. By law, the additional funds cannot be used to supplant local funding.

The act also lowers, from 62.47% to 59.2%, the maximum percentage of the state’s per-student foundation aid used to determine the tuition charged to the districts sending students to a center. This lowers the maximum amount of tuition that can be charged from \$7,199.67 to \$6,822.80. Table 2 displays how decreasing the percentage lowers the tuition maximum.

Table 2: Maximum Tuition for Regional Ag-Science Centers

| | <i>Prior Law</i> | <i>Act</i> |
|---|------------------|------------|
| Percentage of Foundation | 62.47% | 59.2% |
| Foundation | \$11,525 | \$11,525 |
| Maximum Tuition (% of foundation multiplied by foundation amount) | \$7,199.67 | \$6,822.80 |

§§ 120 & 129 — RESTRAINING ORDERS: FAMILY AND HOUSEHOLD MEMBERS

The act expands the range of measures the court may enter in civil restraining order cases when it receives an application for such an order and at a hearing on the application.

Grounds for Issuing Restraining Orders

By law, any family or household member (see Background) subjected to continuous threat of present physical pain or physical injury, stalking, or a pattern of threatening may apply to the Superior Court for a restraining order. The court may issue an order it deems appropriate to protect the applicant and any dependent children or other people. Under existing law, the order, whether issued *ex parte* (i.e., without a hearing) or after a hearing, may include temporary child custody or visitation rights and provisions to protect animals. It may also prohibit the person against whom the order is filed (i.e., respondent) from:

1. imposing any restraint on the applicant;
2. threatening, harassing, assaulting, molesting, sexually assaulting, or attacking the applicant; or
3. entering the home of the family or applicant.

Ex Parte Order

By law, if an applicant alleges an immediate and present physical danger to himself or herself, the court, upon receipt of the application, may issue an *ex parte* restraining order that contains any of the orders described above.

The act broadens the measures the order may contain when the applicant and respondent are (1) spouses or (2) people who live together who have dependent children in common. If no order exists and the court deems it necessary to maintain the safety and the basic needs of such applicant or the children, it may:

1. prohibit the respondent from taking any action that could result in shutting off necessary utility services or other necessary services related to the family’s or the applicant’s home;
2. prohibit the respondent from taking action that could result in the cancellation or change of health, automobile, or homeowners’ insurance policy coverage or designated beneficiary to the detriment of the applicant or any dependent children they have in common;
3. prohibit the respondent from transferring, encumbering, concealing, or disposing of specified property the applicant owns or leases; or
4. require the respondent to temporarily provide the applicant with an automobile, a checkbook, health documents, automobile or homeowners insurance, a document needed for proving identity, a key, or other necessary specified personal effects.

Hearing on the Application

Under the act, if the court grants relief under circumstances as described above, at the hearing on the application it may order the respondent to:

1. make rent or mortgage payments on the family home or the home of the applicant and their dependent children;
2. maintain utility services or other necessary services related to the family home or the home of the applicant and their dependent children;
3. maintain all existing health, automobile, or homeowners insurance coverage without change in coverage or beneficiary designation; or
4. provide financial support for any dependent children, if the respondent has a legal duty to support them and the ability to pay.

These measures are in addition to orders authorized under prior law and those authorized in an *ex parte* order under the act.

The act prohibits the court from entering any financial support order without sufficient evidence of a person’s ability to pay, including financial affidavits. And, it allows any amounts not paid or collected under an order to be preserved and collected in a divorce, custody, paternity, or support action.

If the court does not order a new measure, authorized by the act, at the hearing, it may not do so

afterwards. If such an order is entered at a hearing, it cannot be modified and must expire 120 days after the issue date or upon issuance of a superseding order, whichever occurs first.

Specific Language in the Court Order

By law, any civil restraining order the court makes must include specific language about what violation of the order constitutes 1st degree criminal trespass and the corresponding penalties.

The act expands the required notice in the court order to also include specific language about what constitutes a criminal violation of a civil restraining order and the corresponding penalties.

EFFECTIVE DATE: January 1, 2015

Background — Family or Household Members

By law, “family or household members” are any of the following, regardless of age:

1. spouses or former spouses;
2. parents or their children;
3. people related by blood or marriage;
4. people not related by blood or marriage living together or who have lived together;
5. people who have a child in common, regardless of whether they are or have been married or have lived together; and
6. people who are or were recently dating (CGS § 46b-38a).

§ 121 — TASK FORCE ON RESTRAINING ORDER SERVICE

The act establishes a 16-member task force to study service of restraining orders pertaining to family and household members. The study must, at a minimum, examine the:

1. policies, procedures, and regulations relating to state marshals serving restraining orders, including methods for their initial notification;
2. length of time available to serve a restraining order;
3. permissible methods of service;
4. effectiveness of the respondent profile information sheet and marshal access to databases containing identifiable respondent information;
5. reimbursement rates for service, including an assessment of other states’ reimbursement rates;
6. other states’ best practices, if any, with respect to service of restraining orders; and
7. feasibility of expanding the list of persons who can serve restraining orders.

Task Force Members and Appointments

The task force consists of:

1. two members appointed by the Senate president pro tempore (one representing the Connecticut Coalition Against Domestic Violence and the other representing the chief state’s attorney),
2. two members appointed by the Senate majority leader (an advocate for domestic violence victims and a representative of the State Marshal Commission),
3. two members appointed by the Senate minority leader (representing the Connecticut Police Chiefs Association and the Office of the Chief Public Defender),
4. two members appointed by the House speaker (a domestic violence victim and a representative from the speaker’s task force on domestic violence),
5. two members appointed by the House majority leader (a state marshal and a representative of the State Police),
6. two members appointed by the House minority leader (a state marshal and a representative of legal aid assistance programs in the state),
7. two members appointed by the governor (representing the Connecticut Police Chiefs Association and the Office of the Victim Advocate), and
8. two members appointed by the chief court administrator (a Superior Court judge assigned to hear civil matters and a Judicial Branch employee whose duties concern Superior Court operations).

All appointments must be made by July 13, 2014, and any vacancies must be filled by the appointing authority.

The House speaker and Senate president pro tempore must select the task force’s chairpersons from among the task force members. The chairpersons must schedule and hold the first meeting by August 12, 2014. The Judiciary Committee’s administrative staff serves as the task force’s administrative staff.

Reporting Requirement and Termination

The task force must report its findings and recommendations to the Judiciary Committee by December 15, 2014. It terminates on that date or when it submits the report, whichever is later.

EFFECTIVE DATE: Upon passage

§§ 122-128 — INCREASED PENALTY FOR VIOLATING CERTAIN ORDERS

Increased Penalty

By law, criminal violation of a protective order, standing criminal protective order, or civil restraining order, is a class D felony (see Table on Penalties).

Under the act, these crimes become class C felonies if the violation of any of these orders involves (1) imposing any restraint on the person or liberty of a person in violation of the order or (2) threatening, harassing, assaulting, molesting, sexually assaulting, or attacking a person in violation of the order.

Required Notice

The act requires the specific language contained in standing criminal protective orders and certain protective orders to be updated to reflect the penalty increase. The affected protective orders are those related to (1) family violence; (2) stalking, harassment, sexual assault, and risk of injury; and (3) witness harassment.

EFFECTIVE DATE: January 1, 2015

§ 131 — LOCKED BOXES FOR DISPOSAL OF UNWANTED MEDICATION

The act requires DCP, in consultation with the Connecticut Pharmacists Association and Connecticut Police Chiefs Association, to develop and implement a program to collect and dispose of unwanted pharmaceuticals (medication). The program must provide for (1) a secure locked box accessible to the public 24 hours a day to drop off unwanted medication anonymously at all local police stations and (2) transporting the medication to a biomedical waste treatment facility for incineration.

The act requires DCP, within available appropriations, to organize a public awareness campaign to educate the public about the program and the dangers of unsafe medication disposal. It allows DCP to adopt implementing regulations.

EFFECTIVE DATE: October 1, 2014

§§ 132 & 133 — PRESCHOOL FOR CHILDREN IN DCF CUSTODY

The act requires the DCF commissioner to take steps to maximize preschool enrollment for children placed in out-of-home care. Specifically, it requires the commissioner, in consultation with OEC, to complete the following by January 1, 2015:

1. adopt policies and procedures that maximize the enrollment of eligible preschool-aged children in eligible preschool programs and
2. submit to the Appropriations, Children's,

Education, and Human Services committees (a) the adopted policies and procedures and (b) a report that includes various statistics on different categories of eligible preschool-aged children and available preschool program spaces and costs.

The act defines "preschool-aged child" as one who (1) is age three to five years, (2) the DCF commissioner places in out-of-home care under a commitment order, and (3) is not enrolled in a preschool program or kindergarten at the time of placement.

It defines "eligible preschool program" as:

1. a school readiness program,
2. a preschool program offered by a local or regional board of education or RESC,
3. a preschool program accredited by the National Association for the Education of Young Children,
4. a Head Start program, or
5. any other preschool program the DCF commissioner considers suitable for the child's needs.

Report

The act requires DCF's report to the legislative committees to include various statistics about preschool-aged children and analyses of placement options and costs. The statistics must include the number of:

1. eligible preschool-age children who are and are not enrolled in an eligible preschool program at the time of DCF out-of-home placement under a commitment order;
2. children, from birth to age three years, who are placed in out-of-home care by DCF under a commitment order; and
3. eligible preschool-age children who require special education and related services, and the number and percentage of such children who have enrolled in a preschool program.

The analyses must address:

1. the availability of spaces in eligible preschool programs in relation to (a) where eligible preschool-age children are geographically placed and (b) the nature of such eligible preschool program and its cost to DCF;
2. eligible preschool programs and transportation options that will minimize DCF costs, including programs (a) that provide transportation or (b) whose geographic proximity to a child's placement is considered within reasonable expectations of the foster parent's or caregiver's duties; and
3. a plan to provide priority access to eligible preschool-age children at state- and federally funded preschool programs.

EFFECTIVE DATE: July 1, 2014 for the adoption of policies and procedures; upon passage for the report requirement.

§ 134 — TFA RECIPIENT EDUCATION

By law, DSS must assess each person eligible for time-limited TFA benefits to develop an employability plan for him or her. DSS must then refer the person to the Department of Labor (DOL) which, with the regional workforce development board, must finalize the plan and identify the services the person needs to fulfill it (CGS § 17b-689c).

The act requires the DSS and DOL commissioners to permit a TFA recipient to take educational courses as part of the requirements of his or her employability plan. They must do so as long as the (1) state complies with federal work participation requirements for the employment services program and (2) education courses are approved by the DOL commissioner. Eligible courses can include (1) two- or four-year college degree programs and (2) high school graduate equivalency degree or basic education programs for recipients otherwise ineligible to enroll in these programs during their first 20 hours per week of required employment activities.

The act requires the DOL commissioner, in consultation with the DSS commissioner, to implement policies and procedures to establish (1) which programs may qualify as an approved employment activity and (2) enrollment and academic requirements for students who are TFA recipients. The labor commissioner must implement these policies and procedures while adopting them as regulations, as long as she provides notice of intent to adopt the regulations within 20 days of implementing the interim policies and procedures.

The interim policies and procedures are valid until the final regulations go into effect.

The act cannot be construed as requiring the state to pay the tuition of any TFA recipient.

§ 135 — DSS REPORT ON COMPLEX REHABILITATIVE TECHNOLOGY (CRT)

Report Content

The act requires the DSS commissioner to report, by January 1, 2015, to the Human Services Committee on the impact of:

1. designating products and services in Healthcare Common Procedure Coding System (HCPCS) codes as CRT;
2. setting minimum standards for suppliers to be considered qualified CRT suppliers and eligible for Medicaid reimbursement;

3. preserving the option for CRT to be billed and paid for as a purchase, allowing for single payments for devices needed for at least one year, excluding crossover claims for clients enrolled in both Medicare and Medicaid; and
4. requiring an evaluation for Medicaid recipients receiving a CRT wheelchair or seating component by a qualified (a) health care professional and (b) CRT professional, to qualify for reimbursement.

CRT Products

The act defines CRT as products classified as durable medical equipment (DME) within the Medicare program as of January 1, 2013, that are individually configured and medically necessary to meet individuals' specific and unique medical, physical, and functional needs and capacities for basic and instrumental activities of daily living. "Individually configured" means a device customized by a qualified CRT supplier to have a combination of sizes, features, adjustments, or modifications for a specific individual that are measured, fitted, programmed, adjusted, or adapted to be consistent with the individual's medical condition, physical and functional needs and capacities, body size, period of need, and intended use.

CRT includes:

1. complex rehabilitation manual and power wheelchairs and accessories;
2. adaptive seating and positioning items and accessories; and
3. other specialized equipment and accessories, including standing frames and gait trainers.

The designation includes products and services specified by HCPCS codes. These billing codes are overseen by the federal Centers for Medicare and Medicaid Services and based on current procedural technology codes developed by the American Medical Association. The act distinguishes between pure HCPCS codes, which it defines as codes referring exclusively to CRT products and services, and mixed HCPCS codes, which are those that refer to a mix of CRT products and standard mobility and accessory products.

Qualified Health Care or CRT Professionals

Under the act, qualified health care professionals are those licensed by DPH, such as physicians, physical therapists, occupational therapists, or other specialized health care professionals, with no financial relationship with a qualified CRT supplier.

Qualified CRT Suppliers

Under the act, a qualified CRT supplier is a company or entity that:

1. is accredited by a recognized organization as a CRT supplier;
2. is an enrolled Medicare supplier and meets the supplier and quality standards established for DME;
3. has at least one employee who is a qualified CRT professional for each service location to (a) analyze the needs and capacities of an eligible individual in consultation with a qualified health care professional, (b) participate in selecting appropriate covered CRT, and (c) provide technology-related training in proper CRT use;
4. requires a qualified CRT professional to be present for the evaluation and determination of appropriate CRT for an eligible individual;
5. can provide service and repair by qualified technicians for all CRT it sells; and
6. provides written information to the eligible individual when the CRT is delivered on how to obtain service and repair.

The act defines a “qualified CRT professional” as an individual certified as an assistive technology professional by the Rehabilitation Engineering and Assistive Technology Society of North America.

EFFECTIVE DATE: Upon passage

§ 136 — PRIVATE PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

The act requires the DSS commissioner to submit to the federal Centers for Medicare and Medicaid Services a state Medicaid plan amendment to increase the rate for private psychiatric residential treatment facilities. The increase must be within available state appropriations.

Under the act, a “private psychiatric residential treatment facility” is a nonhospital facility with an agreement with a state Medicaid agency to provide inpatient services to people who are (1) Medicaid-eligible and (2) younger than age 21.

EFFECTIVE DATE: Upon passage

§ 137 — TAX STUDY

Scope

The act requires the Finance, Revenue and Bonding chairpersons to convene a panel of experts to study the overall state and local tax structure. The panel must include experts in tax law, tax accounting, tax policy, economics, and business and government finance. It cannot include legislators.

The panel must consider and evaluate options to modernize tax policy, structure, and administration regarding:

1. efficiency,
2. administrative costs,
3. equity,
4. reliability,
5. stability and volatility,
6. sufficiency,
7. simplicity,
8. incidence,
9. economic development and competitiveness,
10. employment,
11. affordability, and
12. overall public policy.

The panel must consider these options’ impact and the extent to which tax policy affects business and consumer decision-making. It must also evaluate the feasibility of the following options:

1. creating a tiered property tax payment system that includes any property owned by (a) the state; (b) an institution, facility, or hospital for which the state made a payment in lieu of taxes to the host municipality; or (c) a nonprofit entity;
2. assessing a “community benefit fee” on tax-exempt property;
3. taxing property owned by an institution, facility, or hospital for which the state made a payment in lieu of taxes; and
4. requiring such institutions, facilities, or hospitals to report the value of their real and personal property.

Appointment

The governor and the committee’s chairpersons and ranking members must appoint the panel, which may consist of up to 15 members, by August 12, 2014. The panel must include the following eight nonvoting ex-officio members: the committee’s chairpersons and ranking members, Senate president pro tempore, House speaker, OPM secretary, and revenue services commissioner.

The panel’s voting members elect the panel’s chairpersons at the first meeting, which the committee’s chairpersons must convene by August 1, 2014.

Subcommittees

The panel must organize itself into subcommittees on (1) personal income taxes, including estate and gift taxes; (2) business taxes, including excise taxes; (3) consumer taxes; and (4) property taxes. The panel, with its chairpersons’ approval, may invite additional experts to participate, without voting, in the subcommittees.

Report

The panel must submit its findings for further action and recommendations to the governor and the Finance, Revenue and Bonding Committee by January 1, 2015. It may recommend extending its deadline to no later than January 1, 2016.

EFFECTIVE DATE: Upon passage

§ 138 — SMART START COMPETITIVE GRANT PROGRAM FUNDING

The act requires that \$10 million per year be disbursed from the Tobacco Settlement Fund to the Smart Start competitive grant account for FYs 16 through 25. PA 14-41 establishes the Smart Start program to provide capital and operating expense grants to local and regional boards of education establishing or expanding preschool programs. PA 14-98 creates the Smart Start competitive grant account to fund the program.

§ 139 — HISTORIC HOMES TAX CREDIT

By law, DECD can issue up to \$3 million in tax credits per fiscal year for rehabilitating owner-occupied historic homes. It can issue the credits to (1) people who own, rehabilitate, and occupy the homes or (2) businesses that contribute funds for rehabilitating the historic homes that are or will be occupied by their owners. The homes must be located in certain designated areas. The act changes the locational criteria that were set to take effect on July 1, 2015 under prior law. Before that date, prior law required DECD to reserve all of the credits for homes located in:

1. census tracts in which at least 70% of the families have an income that is 80% or less of the statewide median;
2. chronically economically distressed areas, as designated by the state with federal approval; and
3. urban and regional centers in the state's current five-year plan of conservation and development (*Conservation and Development Policies: The Plan for Connecticut 2013-2018*).

Prior law required DECD to make the credits available statewide after July 1, 2015.

Beginning July 1, 2015, the act instead requires DECD to annually reserve 70% of the annual credit cap (\$2.1 million) for rehabilitating historic homes in the 24 municipalities designated as "regional centers" in the current five-year plan of conservation and development. These municipalities are Ansonia, Bridgeport, Bristol, Danbury, East Hartford, Enfield, Groton, Hartford, Killingly, Manchester, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Norwich,

Stamford, Torrington, Vernon, Waterbury, West Hartford, West Haven, and Windham. DECD must issue the remaining 30% of the annual credit cap statewide.

Regardless of their location, historic homes must continue to meet the law's other requirements to qualify for the credits. Specifically, they (1) may have no more than four units, one of which must be the owner's principal residence for at least five years after rehabilitation is completed, and (2) must be listed on the National or State Register of Historic Places or located in a district listed in either register. With respect to the latter, the commissioner must determine that the home contributes to the district's historic character.

EFFECTIVE DATE: July 1, 2015

§§ 140-157 — BENEFIT CORPORATION

The act establishes a legal framework for forming a for-profit corporation that both pursues social benefits and increases value for its shareholders (benefit corporation or b-corp). B-corps generally operate under the same laws as traditional corporations (business corporation laws (BCL)), but their corporate purpose includes doing things that generally benefit society and the environment or create specific public benefits.

B-corps' governance structure and accountability requirements align with their public benefit purpose. A b-corp's directors and officers must consider certain interests and constituencies when discharging their official duties. By law, the directors of a traditional corporation must discharge their duties in a way they reasonably believe addresses the corporation's best interests. In doing so, they may consider community and societal interests when deciding whether to approve certain actions, such as a merger or share exchange (CGS § 33-756).

The act specifies rules and procedures for (1) establishing and dissolving b-corps, (2) changing the specific public benefits they choose to create, (3) disposing of a b-corp's assets, and (4) merging or consolidating with traditional business entities or certain b-corps. It allows b-corps to include provisions in their bylaws and certificates of incorporation ensuring that their assets continue to serve a public purpose after they dissolve. The act requires b-corps to report annually on their social and environmental performance.

The act also provides a procedure for bringing an action against a b-corp for failing to create general or specific public benefits or for other violations. Eligible parties may use the procedure to seek orders directed at a b-corp's conduct, but not to obtain money damages.

Lastly, the act makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2014

§§ 142 & 155 — B-Corp as a Form of For-Profit Corporation

The act creates a legal framework for establishing for-profit corporations that must legally create public benefits, places it within the BCL, and specifies that b-corps are subject to the BCL, except that the act's specific provisions for b-corps supersede the BCL's general provisions. The authorization to form b-corps creates no implication that a different or contrary law applies to traditional corporations.

A b-corp's bylaws or certificate of incorporation cannot limit, conflict with, or supersede the act's provisions.

The act defines the relationship between a b-corp and various parties. It:

1. gives people no legal claims to the b-corp's income or assets simply because they might benefit from a b-corp's creation of general and specific public benefits,
2. imposes no obligations on b-corps to use their assets or property only for charitable purposes, and
3. does not deprive the attorney general of jurisdiction over b-corps under the BCL or other law.

The act extends statutory appraisal rights to a traditional corporation's shareholders when the corporation:

1. amends its certificate of incorporation to make it a b-corp,
2. merges with another corporation and the (a) surviving entity is a b-corp or (b) shares will be converted into a right to receive shares in a b-corp, or
3. exchanges its shares for those of a b-corp.

By law, certain shareholders have the right to have their shares appraised and purchased from them at the appraised price when a corporation (1) sells its assets, (2) merges or exchanges shares with another corporation, or (3) makes certain changes to its certificate of incorporation (CGS § 33-856(a)).

§§ 141 & 147 — General and Specific Public Benefits

The act authorizes b-corps to create two types of public benefits, specifying that doing so serves a b-corp's best interest. Under the act, all b-corps must have a purpose of creating a general public benefit, meaning that they aim to have a material positive impact on society and the environment, taken as a whole and assessed against a third-party standard (see below).

B-corps may also create one or more specific public benefits, which include:

1. providing low-income or underserved people or communities with beneficial products or services;
2. promoting economic opportunity for individuals or communities beyond creating jobs in the normal course of business;
3. protecting or restoring the environment;
4. improving human health;
5. promoting the arts, sciences, or advancement of knowledge;
6. increasing the flow of capital to other b-corps or similar entities whose purpose is to benefit society or the environment; and
7. conferring any other particular benefit on society or the environment.

B-corps choosing to create one or more of these specific public benefits must still create a general public benefit.

The general public benefit and any specific public benefit a b-corp chooses to create must be stated in its certificate of incorporation. The b-corp may subsequently add, change, or delete a specific public benefit, but must do so by a minimum status vote (see below).

Under the BCL, a traditional corporation's directors may consider specific non-corporate interests and concerns when determining whether certain actions are in the corporation's best interests. A director must discharge his or her duties (1) in good faith, (2) with the care an ordinarily prudent person would exercise in a similar situation, and (3) in a way he or she reasonably believes is in the corporation's best interests (CGS § 33-756(a)). In determining the corporation's best interest, the director may consider, among other things, (1) community and societal factors and (2) the interests of the corporation's employees, customers, creditors, and suppliers (CGS 33-756(d)).

§ 141 — Minimum Status Voting Requirement

The act establishes a voting requirement that must be met before certain actions are taken. These actions include changing a traditional corporation into a b-corp; amending a b-corp's certificate of incorporation; and entering into mergers and share exchanges involving b-corps and traditional corporations or non-corporate entities, such as partnerships.

Actions involving two or more b-corps or a b-corp and a traditional corporation require a separate vote of the shareholders of each class or series of shares, regardless of any limitations in the bylaws or the certificate of incorporation. The action must be approved by at least two-thirds of the shareholders in each class or series as defined in the b-corp's certificate of incorporation, the BCL, or the act. This vote is in addition to any other approvals or votes.

If the action involves a merger between a b-corp and a partnership, limited liability company, or other non-corporate business entity (domestic entities), the vote for the business entity is a two-thirds vote of all equity holders in any series or class entitled to a distribution from the entity, regardless of any limitation on their voting or consent rights.

The act refers to these requirements as a “minimum status vote.”

§§ 141, 143-145, & 147 — Creating a Benefit Corporation

Formation Options. The act allows parties to establish a new corporation as a b-corp or transform a traditional corporation into one, and it specifies how they must do so. By law, parties that want to establish a corporation must do so by filing a certificate of incorporation with the secretary of the state. Under the act, those establishing a new b-corp must also file with the secretary, indicating in the certificate that the corporation is a b-corp.

The board of directors of an existing corporation can change it into a b-corp by amending its certificate of incorporation to that effect, an action that must be approved by a minimum status vote.

Legacy Preservation Provision. The act allows b-corps to adopt a “legacy preservation provision” (LPP), a legal device ensuring that their assets continue to serve a public purpose if a b-corp dissolves. A b-corp must wait at least two years after its formation before it can choose to adopt an LPP and it must add the LPP to its certificate of incorporation. The LPP must require a dissolving b-corp to distribute its assets to one or more federal tax-exempt charitable organizations or other b-corps with an LPP.

Regardless of any limitations a b-corp’s certificate of incorporation or bylaws impose on any shareholder’s voting powers, the shareholders for all shares in all classes or series must unanimously vote for or approve in writing the adoption of the LPP. The adoption must also comply with the BCL’s procedures for amending certificates of incorporation (CGS §§ 33-795 to 803).

§§ 141 & 144-146 — Mergers and Share Exchanges

The act’s requirements for mergers and share exchanges vary depending on (1) whether a b-corp is subject to an LPP or (2) the types of business entities involved in the transaction.

Rules Affecting B-Corps. A b-corp subject to an LPP may merge or exchange shares with another b-corp that is, or will be, subject to an LPP, but each transaction must be approved by a minimum status vote. Mergers may only be those in which the (1) surviving entity is a b-corp subject to an LPP or (2) b-corp’s

shares are converted into the right to receive shares or other equity interests in the other b-corp.

B-corps without an LPP may merge or exchange shares with other non-LPP b-corps or traditional corporations, but the transaction must be approved by a minimum status vote if the:

1. surviving entity is a traditional corporation,
2. merger converts the b-corps’ shares into the right to receive shares or other equity interests in a traditional corporation, or
3. b-corps’ shares will be exchanged for those or other equity interests of a traditional corporation.

Rules Affecting Traditional Corporations and Other Business Entities. Under the act, a traditional corporation may merge or exchange shares with a b-corp if the corporation’s shareholders approve the action by a minimum status vote. The vote is specifically required for mergers in which the (1) b-corp is the surviving entity or (2) corporation’s shares will be converted into the right to receive the b-corp’s shares. An exchange can involve shares or other equity interests of the corporation or entity.

The act also allows non-corporate entities to merge or exchange shares with b-corps. In these cases, an entity’s equity owners are entitled to appraisal rights under the same procedures the BCL provides to the shareholders of a traditional corporation, but only if a minimum status vote is required to approve the transaction.

Assets and Dissolution. The act allows b-corps to sell, lease, exchange, or otherwise dispose of their assets, but the requirements for doing so vary depending on whether a b-corp is subject to an LPP. A b-corp with an LPP cannot take any of these actions unless the (1) assets are going to a charitable organization or another b-corp subject to an LPP and (2) disposition is approved by a minimum status vote.

A b-corp without an LPP needs such a vote only for dispositions that would leave it without any significant business activity.

In both instances, the disposition requirements do not apply to transactions occurring during a b-corp’s regular business operation.

Terminating a B-Corp. As noted above, a b-corp with an LPP cannot dissolve without distributing its assets to one or more charitable organizations or other b-corps subject to LPPs. A b-corp without an LPP may terminate its status as a b-corp by amending its certificate of incorporation to delete the provision that identifies it as a b-corp, a change that must be approved by a minimum status vote.

§§ 148 & 156 — Benefit Corporation Directors

Decision-Making Factors. The act specifies the interests and factors b-corp directors must consider when discharging their duties individually or collectively as a board or committee member. A director must specifically consider how a corporate action affects:

1. the b-corp's shareholders;
2. the employees and workforce of the b-corp and its subsidiaries and suppliers;
3. the interests of the b-corp's customers as beneficiaries of the b-corp's general and specific public benefits;
4. community and societal factors, including those of each community in which offices or facilities of the b-corp or its subsidiaries or suppliers are located;
5. the local and global environment;
6. the b-corp's short- and long-term interests, including benefits that may accrue from its long-term plans and the possibility that these interests may best be served by its continued independence; and
7. the b-corp's ability to accomplish its general and specific public benefit purposes.

By law, the directors of traditional corporations may consider similar factors in certain situations, such as a merger proposal (CGS § 33-756(d)).

The directors, individually or collectively, may also consider (1) any other interests the BCL allows them to consider in particular circumstances and (2) other pertinent factors or interests of any other group they deem appropriate.

When considering the act's factors, directors do not have to rank the interest of any particular person or group over others, unless the certificate of incorporation requires them to do so.

Immunities. Under the act, the directors do not violate their duties under the BCL when they consider the above interests and factors. Their authority to consider them is in addition to their authority to consider those specified in the BCL.

The act further specifies the conditions under which the directors are not personally liable to anyone, including those parties authorized to bring a benefit enforcement action (see below). Under the act, they are not liable for anything they did or failed to do while acting as directors in compliance with the act and the BCL. Nor are they liable for the b-corp's failure to create a general public benefit or any of its specific public benefits.

Lastly, b-corp directors have no duty to anyone whose only connection to the b-corp is that he or she benefits from its general or specific public benefits.

§ 150 & 157 — B-Corp Officers

The act requires b-corp officers to consider the same interests and factors that directors must consider if (1) they have discretion to act on the matter under consideration and (2) it reasonably appears to an officer that the matter could materially affect the b-corp's ability to create its general or specific public benefit. A b-corp officer acting in these circumstances does not violate the BCL.

B-corp officers enjoy the same immunities from personal liability as b-corp directors and, like directors, have no duty to mere beneficiaries of the b-corp's beneficial activities.

§§ 141 & 149 — Benefit Director

Designation. The board of directors of a publicly traded b-corp must, and the board of all other b-corps may, include a designated "benefit director" responsible for preparing a status and compliance opinion for inclusion in the b-corp's annual benefit report. The act specifies that the benefit director has all the powers, rights, duties, and immunities the act specifically grants to a benefit director, in addition to those it grants to the other board members.

A benefit director may be designated in one of two ways. The board may elect one of its members to that position and may remove the member according to the BCL's provisions for electing or removing board members. A benefit director may also be anyone, including a non-board member, authorized to manage the b-corp's business and affairs under a shareholder agreement that complies with the BCL (CGS § 33-717). The agreement must specifically assign to this person some or all of the powers, duties, and rights the act assigns to a benefit director.

In either case, a benefit director must not have a "material relationship" with the b-corp, which generally means that the director may not:

1. be or have been an employee of the b-corp or a subsidiary within three years;
2. be immediately related to any current executive director or one from the b-corp's or subsidiary's previous three years; or
3. generally (a) own 5% or more of the b-corp's shares, (b) own 5% or more of an entity that owns 5% or more of the b-corp, or (c) hold a controlling position (such as a manager) in such entity.

A benefit director's current or previous service as the b-corp's or subsidiary's benefit director or benefit officer (see below) does not constitute a material relationship to the b-corp or its subsidiary. The b-corp's certificate of incorporation, bylaws, or shareholder agreement may impose additional qualifications as long

as they are consistent with the requirement that the benefit director have no material relationship with the b-corp or its subsidiaries.

Liability. The act distinguishes the roles of director and benefit director, providing more protection from liability for the latter. When a director acts in his or her capacity as the benefit director, the director is not personally liable for things he or she did or failed to do unless they constitute self-dealing, willful misconduct, or a knowing violation of the law.

§§ 141, 149, & 151 — *Benefit Officer*

The act allows a b-corp to designate a “benefit officer” to prepare its annual benefit report and exercise all the powers and duties related to creating its general and specific public benefits, as specified in the bylaws or the board’s orders or resolutions. A benefit officer exercising these powers and duties does not create a material relationship with the b-corp. As a b-corp officer, the benefit officer enjoys the same immunities as the other officers. A benefit director may simultaneously serve as the benefit officer.

§§ 141 & 152 — *Benefit Enforcement Proceeding*

Under the act, a b-corp or its shareholders may bring a benefit enforcement action for (1) failing to create a general public benefit or an identified specific public benefit or (2) violating an obligation, duty, or standard of conduct the act specifies, such as violating the shareholders’ appraisal rights (see above). Parties may bring an action to order a b-corp to act or refrain from acting, but not for money damages.

The b-corp may start a benefit enforcement proceeding directly against its directors or officers. One or more of its shareholders may also start one against the b-corp or its directors or officers if, when the complained act or omission occurred, they (1) generally owned at least 5% of the b-corp’s shares or (2) owned at least 10% of the entity that owns or controls the b-corp as a subsidiary. Beneficial owners of shares held in a voting trust or by a nominee may also start a proceeding, as can other groups, if the b-corp’s bylaws or certificate of incorporation allows them to do so.

§§ 141, 149, 153, & 154 — *Annual Benefit Report*

Content. The act requires a b-corp to prepare an annual benefit report for its shareholders describing:

1. how the b-corp pursued its general public benefit purpose during the year and the extent to which a general public benefit was created;
2. how the b-corp pursued its chosen specific public benefit purposes, if any, and the extent to which any specific public benefit was created;

3. any circumstances that hindered creating a general public benefit or any specific public benefit; and
4. the process and rationale for selecting or changing the third-party standard (see below) used to prepare the benefit report.

The report must assess the b-corp’s overall social and environmental performance against a third-party standard, either:

1. applied consistently with any application of that standard in prior benefit reports or
2. with an explanation of the reasons for any inconsistent application or the change to that standard from the one used in the most recent prior report.

It must also provide the benefit director’s opinion on:

1. whether the b-corp acted according to its general public benefit purpose and any chosen specific public benefit purposes in all material respects during the reporting period;
2. whether the directors and officers complied with their duties under the act; and
3. if the b-corp or its directors or officers failed to do so, how.

The report must state any connection between the organization that established the third-party standard and the b-corp. This requirement applies to a connection between the organization’s directors, officers, or any holder of 5% or more of the voting power or capital interests in the organization, and the b-corp’s directors, officers, or anyone holding at least 5% of the b-corp’s outstanding shares. It includes any financial or governing relationship that might materially affect the third-party standard’s credibility.

The report must provide each director’s annual compensation for serving as a director and the names and mailing addresses, if any, of the benefit director and benefit officer.

Lastly, if the benefit director or officer resigned, was removed, or refused to be reelected, the report must include any written statement or correspondence from that director or officer on the circumstances of his or her departure.

Neither the report nor the performance assessment it contains needs to be audited or certified by the third-party standard provider.

Report Distribution. The b-corp must send each shareholder a copy of the annual report within 120 days of the fiscal year’s end or together with any other annual report it provides to shareholders, whichever is earlier. It must post and maintain each annual benefit report on its public website, but may omit any financial, confidential, or proprietary information, including directors’ compensation.

If the b-corp has no website, it must provide a copy of its most recent annual benefit report to anyone who requests one, at no charge. It may omit compensation, financial, confidential, or proprietary information.

§§ 141 & 153 — *Third-Party Standard*

Under the act, a b-corp’s performance must be annually assessed against a recognized third-party standard for defining, reporting, and assessing corporate social and environmental performance. The standard must address the b-corp’s impact on its employees, workforce, subsidiaries, suppliers, and customers; the communities in which it operates; and the local and global environment. It must have been developed by an entity with no “material relationship” to the b-corp (see §§ 141 & 149 — Benefit Director, above). The standard must allow the public to know:

1. the identity of the people and organization that developed and control revisions to the standard;
2. the process for revising the standard;
3. how changes to the organization’s governing body are made; and
4. where the entity derives its revenue and financial support, and in what amounts, so that any potential conflicts of interests are identifiable.

The act requires a b-corp to select its third-party standard. But a b-corp cannot select or change its standard without approval from (1) the greater of (a) a majority of its directors or (b) the number of directors needed per the bylaws or certificate of incorporation or (2) a vote or written consent of the shareholders who must, under the bylaws or certificate of incorporation, approve such actions.

§ 158 — PHYSICIAN AND APRN PROFILES

By law, DPH must collect certain information to create individual profiles for health care providers to disseminate to the public. The act requires the department to do this for physicians and APRNs regardless of funding but, as under prior law, for other providers, they do so within available appropriations.

The act also adds to the profile information collected (1) whether the health care provider offers primary care services and (2) for an APRN, whether he or she practices independently or in collaboration with a licensed physician.

Existing law requires DPH, within available appropriations, to collect profile information on various other health care providers, including dentists, chiropractors, optometrists, podiatrists, natureopaths, dental hygienists, and physical therapists. Among other things, the department collects information on the

provider’s specialty, services, and primary practice location; any professional malpractice judgments; and any criminal conviction or disciplinary action against the provider.

EFFECTIVE DATE: October 1, 2014

§§ 159 & 227 — PCA AND CHILDCARE PROVIDER UNIONS

§ 159 — *Approval of Collective Bargaining Agreements*

The law allows certain family child care providers and PCAs to collectively bargain with the state over their reimbursement rates and other benefits. Any provision in a resulting contract that supersedes a law or regulation must be affirmatively approved by the General Assembly before the contract can become effective. The act approves such provisions in the contracts between the (1) OEC and Connecticut State Employees Association—Service Employees International Union (CSEA-SEIU, Local 2001) (“childcare workers”) and (2) Personal Care Attendant Workforce Council and the New England Health Care Employees Union (District 1199, SEIU).

Tables 3 and 4 show the contract provisions and corresponding superseded statute or regulation, according to the supersedence appendices prepared by OPM and submitted to the General Assembly with the contracts.

Table 3: Statutes and Regulations Superseded in the Childcare Workers’ Contract

| <i>Provision</i> | <i>Contract Reference</i> | <i>Statute/Regulation</i> |
|--|---|---|
| Rate Review Process | Article 12: Fees and Differentials | CGS § 17b-749(a) (establishes the child care subsidy program) |
| Establishment of Rates, Fees, and Differentials | Article 12: Fees and Differentials | Conn. Agencies Reg. §§: <ul style="list-style-type: none"> • 17b-749-13(c)(1) (establishing payment rates) • 17b-749-13(c)(3) (modifying payment rates) • 17b-749-13(c)(6)(a-d) (separate rates for different types of providers) • 17b-749-13(c)(12) (notice before modifying payment rates) |
| National Accreditation and Professional Development Stipends | Article 15, § 3: Professional Development | Conn. Agencies Reg. § 17b-749-13(c)(9)(bonus payments for national accreditation) |

| <i>Provision</i> | <i>Contract Reference</i> | <i>Statute/Regulation</i> |
|---|--|--|
| Membership of CSEA on Early Childhood Cabinet | Side Letter | CGS § 10-16z (Early Childhood Education Cabinet members) (PA 14-39 also adds one CSEA member to the cabinet) |
| Eligibility of Child Care Providers | Article 15, § 4: Mandatory Orientation | Conn. Agencies Reg. § 17b-749-12 (notice before modifying payment rates) |

Table 4: Statutes and Regulations Superseded in the PCA Contract

| <i>Provision</i> | <i>Contract Reference</i> | <i>Statute/Regulation</i> |
|----------------------------|--|--|
| Personal Data | Article 5: Union Rights | Conn. Agencies Reg. § 17a-210-14 (disclosure of personal data) |
| Withholding of Wages | Article 17: Union Security and Payroll Deduction | CGS § 31-71e (withholding of part of wages) |
| Wages | Article 13: DSS Wages | CGS § 17b-343 (rates of payment for home care services) |
| Salary Increase at Maximum | Side Letter | CGS § 17b-343 (rates of payment for home care services) |

EFFECTIVE DATE: Upon passage

§ 227 — PCA Union Dues

Prior law limited deductions for a PCA's union dues and fees to the payments from the waiver program in which the PCA's consumer was participating. Thus, union dues or fees could not be deducted from the payments of PCAs in non-waiver programs, such as the Connecticut Home Care Program for Elders. The act removes this restriction and instead allows the dues and fees to be deducted from any program covered by the PCA's collective bargaining agreement.

EFFECTIVE DATE: Upon passage

§ 160 — PUBLIC-PRIVATE PARTNERSHIP AGREEMENTS

The act extends, from January 1, 2015 to January 1, 2016, the deadline for the governor to approve up to five public-private partnership projects. By law, state Executive Branch and quasi-public agencies may enter into public-private partnership agreements with private entities to finance, design, construct, develop, operate, or maintain certain facilities. The agreement may authorize any combination of these functions for one or more facilities and must be approved by the governor.

§ 161 — GIFTS OF MONEY TO DORS

The act allows the DORS commissioner to accept a bequest or gift of money and use or hold it for any purpose specified with the bequest or gift. By law, the department may already accept a bequest or gift of personal property and, in certain cases, a gift or devise of real property (e.g., land). (PA 14-188, § 10, contains identical provisions.)

EFFECTIVE DATE: Upon passage

§ 162 — ACUTE CARE HOSPITALS ON STATE-OWNED CAMPUSES

The act designates each state-owned campus with an acute care hospital on the premises (i.e., John Dempsey Hospital on the UConn Health Center (UCHC) campus) as the primary service area responder (PSAR) for that campus. By law, an individual injured in a primary service area waits for the PSAR (based on the severity of the emergency) to be dispatched to transport him or her to the appropriate hospital. In practice, this required a private ambulance service to transport some patients to John Dempsey Hospital. The act allows the UCHC fire department to treat and transport such patients.

EFFECTIVE DATE: October 1, 2014

§§ 163 & 164 — EXEMPTION FOR CHARTER OAK STATE COLLEGE FROM CERTAIN SEXUAL ASSAULT POLICY REQUIREMENTS

PA 14-11 expands the scope of the programming and campaigns that public and independent higher education institutions must, by law, provide for their students on sexual assault and intimate partner violence prevention and awareness. This act exempts Charter Oak State College from the requirement to provide the programming and campaigns.

PA 14-11 also establishes, effective July 1, 2014, several requirements concerning the institutions' responses to sexual assault. This act exempts Charter Oak from requirements in PA 14-11 for institutions to:

1. report annually to the Higher Education and Employment Advancement Committee on their policies, prevention and awareness programming and campaigns, and the number of incidents, disciplinary cases, and confidential or anonymous reports, involving sexual assault, stalking, and intimate partner violence;
2. establish a campus resource team to review their policies and recommend protocols for providing support and services to students and employees who report being victims;

3. enter into a memorandum of understanding with at least one community-based sexual assault crisis service center and one community-based domestic violence agency that (a) establishes a partnership with the service and agency and (b) ensures that victims can access free and confidential counseling and advocacy services, either on or off campus; and
4. ensure that their Title IX coordinator and special police force, campus police force, or campus safety personnel are educated in the awareness and prevention of sexual assault, stalking, and intimate partner violence, and in trauma-informed response.

§§ 165-168 — CERTIFIED HISTORIC STRUCTURE REHABILITATION TAX CREDITS

Consolidated Programs

The act consolidates two DECD programs that provide tax credits to people and business entities rehabilitating certain historic structures. It sunsets the former, separate programs by barring the DECD commissioner from reserving tax credits under them starting July 1, 2014. Taxpayers awarded credits under these programs before that date may continue to carry forward and claim unused credits for up to five years, as the law allows.

The consolidated program, which starts on July 1, 2014, contains many elements of the separate programs. The act retains their current tax credit amount of 25% of eligible expenditures (30% of these expenditures for projects that include affordable housing) but imposes new project and annual program caps. As under prior law, the credits are applied against insurance premium, corporation business, air carrier, railroad company, cable and satellite TV, and utility company taxes.

Eligible Property

As under prior law, to be eligible for rehabilitation, properties must be (1) listed individually on the National or State Register of Historic Places or (2) located in a district listed on either register and certified by the state historic preservation officer as contributing to the district's historic character.

Eligible Reuses

The separate and the consolidated programs base eligibility for the credits on the historic status of the property and how it will be used after rehabilitation. One of the sunsetted programs provides credits for rehabilitating historic property for residential reuse (five or more units), while the other program provides credits for rehabilitating historic property for mixed or strictly

nonresidential reuses.

The consolidated program combines both types of reuse. But the consolidated program, like the separate programs, bases eligibility on a definition specifying the range of eligible reuses (certified rehabilitation) not referred to in the provisions governing approval of proposed projects. Consequently, a project proposing to rehabilitate a certified historic structure qualifies for a tax credit regardless of its proposed reuse.

Applying for Credits

As under prior law, to seek a tax credit before beginning rehabilitation work, the owner must submit certain information to the state historic preservation officer. The act requires that this include a plan for a determination of whether the rehabilitation work meets the U.S. interior secretary's Standards for Rehabilitation (36 CFR § 67), instead of state standards. As under prior law, the owner also must submit:

1. a complete description of each phase of rehabilitation, if the work is to be completed in phases;
2. an estimate of qualified rehabilitation expenditures; and
3. for projects that include affordable housing units, the number of affordable housing units to be created, their proposed rents or sale prices, and the median income of the municipality where the project is located.

For projects including affordable units, the owner must also submit this information to the Housing Department. As under prior law, the act allows DECD to charge an applicant up to \$10,000 to cover the programs' administrative costs.

Credit Amounts and Caps

The owner can claim tax credits in the tax year in which a certified historic structure has been rehabilitated to a point that would allow for occupancy of the entire building or an identifiable portion of it. As under the sunsetted programs, the credits equal (1) 25% of a project's qualified rehabilitation expenses or (2) 30% of these expenses if at least (a) 20% of the units are rental units that qualify as affordable housing or (b) 10% of the units are individual homeownership units that qualify as affordable housing. Under the act, for DECD to reserve these credits, the rehabilitation plan must conform to the federal rehabilitation standards mentioned above, rather than state standards. As under prior law, qualified rehabilitation expenses include physical construction costs but not (1) the owner's personal labor; (2) the costs of a new addition, except as required to comply with the state building or fire codes; and (3) non-construction costs (e.g., architectural, legal,

and financing fees).

The act caps the total amount of tax credits DECD may reserve under the consolidated program at \$31.7 million per year, and caps at \$4.5 million the amount of tax credits a project may receive. Prior law capped the total annual amount of tax credits under the sunsetted residential program at \$15 million and set the individual cap at \$2.7 million. It capped the total annual amount under the sunsetted mixed use program at \$50 million for a three-year period, and capped the individual project limit at \$5 million.

Affordable Housing Units

The act requires the housing commissioner to review tax credit applications for projects containing affordable housing and issue a certificate if she finds the application contains such housing. As under prior law, no tax credit may be allocated for projects that include affordable housing unless the commissioner issues such a certificate.

By law, the housing commissioner may charge an applicant a fee of up to \$2,000 to cover the cost of reviewing affordable housing applications. The act specifies that this fee is in addition to the maximum administrative fee of \$10,000 that DECD may charge applicants rehabilitating certified historic structures.

As under prior law, the housing commissioner must monitor affordable housing projects built under the act to ensure they are maintained as affordable for at least 10 years, and may require deed restrictions or other fiscal mechanisms to ensure compliance with project requirements. Also, as under prior law, she may adopt regulations, which must include such provisions.

The new program does not include a credit recapture requirement, which was part of the previous mixed-use program. Under prior law, an owner who did not complete the residential portion of a mixed-use property by the date specified in the rehabilitation plan had to repay the entire credit.

Multiple Owners

If a credit is allowed for rehabilitation of a structure that has more than one owner, the act requires the credit to be passed through to such owners, or people designated as partners or members of such owners, (1) on a pro rata basis or (2) according to an agreement among the owners, partners, or members, documenting an alternative distribution method without regard to other tax or economic attributes of the owners. An owner is a person, firm, limited liability company (LLC), nonprofit or for-profit corporation, or other business entity or municipality with title to a historic structure and undertaking its rehabilitation.

Using Credits

The act requires DECD to annually provide to the Department of Revenue Services (DRS) a list detailing (1) the credits approved for the most recent fiscal year and (2) all sales, assignments, and transfers made for that year. It allows DECD to adopt regulations to carry out its purposes, including provisions for filing applications, rating criteria, and timely approval by the department.

As under prior law, unused credits may be carried forward for up to five years.

As under the sunsetted programs, the act allows an owner to sell, assign, or otherwise transfer tax credits, wholly or partially, but it limits to three the number of such transfers. The act adds reporting components not found in the previous programs. If a credit is transferred, whether by the owner or a subsequent transferee, the transferor and transferee must jointly notify DECD in writing within 30 days of the transfer. The notification must include the:

1. transferor's and transferee's tax identification numbers,
2. credit voucher number,
3. date of the transfer,
4. amount of the credit transferred, tax credit balance before and after the transfer, and
5. any other information DECD requires.

Failure to comply results in DECD disallowing the tax credit until the transferor and transferee fully comply and, for a second and third transfer, all subsequent transferors and transferees comply.

Reporting

The act requires DECD, by October 1, 2015 and each year afterwards, to report to the Commerce and Finance, Revenue and Bonding committees on the total amount of tax credits reserved for the previous fiscal year under the act. The reports must include, for each project for which a tax credit has been reserved:

1. the total project costs;
2. for projects eligible for 25% of qualified rehabilitation expenses, (a) the value of the tax credit reservation; (b) a statement of whether the reservation is for mixed use and, if so, the proportion of the project that is not residential; and (c) the number of residential units to be created; and
3. for projects eligible for 30% of qualified rehabilitation expenses, the (a) value of the reservation and (b) percentage of residential units that will qualify as affordable housing.

EFFECTIVE DATE: July 1, 2014, except the tax credit provisions are applicable to income years starting on or after January 1, 2014.

§§ 169-175 & 259 — REPEAL OF HEALTH INFORMATION TECHNOLOGY EXCHANGE OF CONNECTICUT (HITE-CT); ELECTRONIC HEALTH INFORMATION

The act repeals the statutes establishing HITE-CT and makes conforming changes.

Under prior law, HITE-CT was a quasi-public agency designated as the state's lead health information organization. It was responsible for, among other things, (1) developing a statewide health information exchange to share such information electronically among health care facilities and professionals, public and private payors, government agencies, and patients and (2) providing grants to advance health information technology and exchange in the state, within available resources.

Transfer of Certain Responsibilities to DSS

The act transfers, from HITE-CT to the DSS commissioner, the responsibility to (1) implement and periodically revise the statewide health information technology plan and (2) establish electronic data standards to facilitate the development of integrated electronic health information systems for use by health care providers and institutions that receive state funding. The DSS commissioner must do this in consultation with DPH and DMHAS. By law, the statewide plan must include, among other things, (1) such electronic data standards and (2) general standards and protocols for health information exchange.

The act requires the DSS commissioner, when complying with certain existing requirements regarding the plan's contents, to consider advice that human services advisory boards and councils may provide to him.

It requires the DSS commissioner to develop uniform electronic health information technology standards for use throughout DCF, DDS, DMHAS, DOC, and DPH. If one of these agencies plans to revise the health information technology plan, it must submit the revised plan to the DSS commissioner for his approval before implementation. If the commissioner grants an approval that requires additional funding, he must submit the revisions to the OPM secretary.

The act requires the DSS commissioner to annually submit the statewide health information technology plan, as revised, to the Appropriations, Human Services, and Public Health committees. The first submission is due January 1, 2015.

§ 176 — GO BACK TO GET AHEAD

The act establishes the "Go Back to Get Ahead" program, administered by BOR to encourage individuals to return to a higher education institution and earn a degree if they (1) dropped out before completing an associate's or bachelor's degree program or (2) received an associate's degree and seek to advance their educational attainment.

Within available resources and subject to BOR guidelines, the act allows eligible participants to receive up to three free three-credit courses required to complete an associate's or bachelor's degree program. An eligible participant is someone who:

1. resides in Connecticut;
2. has either (a) previously enrolled in an associate's or bachelor's degree program at any public or private college or university and left before completing it or (b) received an associate's degree and seeks to enroll in a bachelor's degree program;
3. has not attended any college or university for at least 18 months, as of June 30, 2014; and
4. enrolls in an associate's or bachelor's degree program by September 30, 2016 at a CSUS institution, a Connecticut regional community-technical college, or Charter Oak State College.

§ 177 — DESIGNATION OF AREAS WITHIN THE TOWNS OF WALLINGFORD AND THOMASTON AS ENTERPRISE ZONES

The act creates two additional enterprise zones by requiring the DECD commissioner to approve the designation of zones in Wallingford and Thomaston beginning July 1, 2014. The act describes these municipalities respectively as having a population (1) of up to 50,000 in which a U.S. Postal Service processing center that at any time employed at least 1,000 people is located and (2) between 7,800 and 7,900 and an area of up to 12.2 square miles.

The area in Wallingford can only be designated as an enterprise zone for five years from the date any portion of the designated zone is transferred, provided the transfer occurs on or after July 1, 2014.

Generally, municipalities must be considered "distressed municipalities" to designate an area as an enterprise zone, and the designated area must meet certain poverty or unemployment criteria. The act allows Wallingford and Thomaston to designate areas as enterprise zones without meeting these criteria.

Under the act, the areas designated as enterprise zones in Wallingford and Thomaston must consist of two contiguous census tracts, contiguous portions of such tracts, or all or a portion of an individual census

tract, according to the most recent census. If a designated area is covered by zoning, a portion of the area must be zoned for commercial or industrial activity. Businesses located in these zones receive the same benefits as those in existing enterprise zones, including property and real estate conveyance tax exemptions for developing facilities and a 10-year corporation business tax credit for newly formed businesses in the zones.

§ 178 — DSS GRANT TO ROSE CITY SENIOR CENTER IN NORWICH

On January 9, 2014, the State Bond Commission allocated \$690,000 in bonds to DSS for a grant to the Rose City Senior Center in Norwich for roof, flooring, and exterior improvements. By law, DSS provides grants to municipalities for improving senior centers, child care facilities, emergency shelters, and other similar facilities. Each grant may cover up to two-thirds of the cost, thus requiring the municipalities to obtain funds from other sources for the remaining third. The act exempts the Rose City Senior Center project from this requirement, thus allowing DSS to fund the entire project.

EFFECTIVE DATE: Upon passage

§§ 179 & 260 — COURT FEES AND LEGAL SERVICES FOR THE POOR

The act makes permanent certain court filing fee increases and fees that took effect July 1, 2012 and were set to expire on July 1, 2015.

It also raises, from 70% to 95%, the portion of revenue received from these fee increases that the chief court administrator must transfer to the organization administering the Interest on Lawyers' Trust Accounts (IOLTA) program to fund legal services for the poor. Accordingly, it decreases, from 30% to 5%, the portion of the increase that the administrator must transfer to the Judicial Data Processing Revolving Fund for the Judicial Branch's informational data processing system.

The act also makes permanent another fee that was scheduled to be reduced. This fee is not tied to the transfer to IOLTA or the revolving fund. The fee is for applications to dissolve one of the following types of liens and substitute a bond with surety: a mechanic's lien on real property, vessel lien, bailee for hire's lien on personal property, purchaser's lien on real property, or aircraft lien. The fee was set at \$350 beginning July 1, 2013, but under prior law was scheduled to be reduced to \$300 on July 1, 2015. The act eliminates this reduction and maintains the fee at \$350.

EFFECTIVE DATE: July 1, 2014 for the changes in the allocation of the fee increases; October 1, 2014 for the extension of the fee increases.

Extension of 2012 Fee Increases

PA 12-89 increased certain fees, and imposed new fees, for filing various court actions and motions in Superior Court. Under that act, the fee increases and new fees were scheduled to expire on July 1, 2015. This act makes them permanent.

Table 5 shows the scheduled reduction under prior law and the continuing fees under this act.

Table 5: Fee Increases and Fees Extended by the Act

| Action or Motion | Reduced Fee Under Prior Law as of July 1, 2015 | Continuing Fee Under Act |
|--|--|--------------------------|
| Filing civil case generally (there are different fees for certain types of cases) | \$300 | \$350 |
| Filing case in which the sole claim for relief is damages and the amount, legal interest, or property in demand is less than \$2,500 | 175 | 225 |
| Filing small claims case* | 75 | 90 |
| Filing counterclaim in small claims case | 0 | 90 |
| Motion for admittance as attorney pro hac vice | 0 | 600 |
| Filing counterclaim, cross complaint, apportionment complaint, or third-party complaint | 0 | 200 |
| Motion to modify judgment in a family relations matter | 125 | 175 |
| Application from judgment creditor for enforcement of an unsatisfied judgment, including debts due from financial institutions or other sources, and wage executions against a judgment debtor who fails to comply with an installment payment order | 75 | 100 |

*By raising the small claims filing fee, PA 12-89 also increased certain fees that are set by law in an amount equal to that fee (e.g., appeals of penalties for certain municipal matters (see CGS §§ 7-152b, 7-152c, and 47a-6b)).

§§ 180-185 — CONNECTICUT RETIREMENT SECURITY BOARD AND MARKET FEASIBILITY STUDY

The act creates the Connecticut Retirement Security Board and requires it to (1) conduct a market feasibility study on implementing a publicly administered retirement savings plan and (2) develop a comprehensive proposal for implementing the plan that must include certain goals and design features. The

board must submit:

1. a report on the feasibility study's status to the governor and Labor Committee by May 1, 2015;
2. a report on the study's results to the governor and Labor Committee by January 1, 2016; and
3. the comprehensive proposal to the governor, General Assembly, Senate president pro tempore, and House speaker by April 1, 2016.

Connecticut Retirement Security Board

Membership. The act establishes a 14-member board that includes the state comptroller, state treasurer, labor commissioner, and OPM secretary, or their respective designees. Table 6 lists the appointing authority, qualifications, and initial terms for the other 10 appointed board members.

Table 6: Appointed Board Members and Qualifications

| <i>Appointing Authority</i> | <i>Required Qualifications</i> | <i>Initial Term</i> |
|------------------------------|--|---------------------|
| Senate president pro tempore | Retirement plan design expert | Four years |
| House speaker | Senior citizen advocacy organization representative | Four years |
| Senate majority leader | Labor union representative | Four years |
| House majority leader | Private-sector employee retirement plan option manager | Four years |
| Senate minority leader | Expertise in designing retirement plan options for businesses | Three years |
| House minority leader | Expertise in consumer retirement planning | Three years |
| Governor | Potential plan participant | Three years |
| Governor | Expertise in the federal Employment Retirement Income Security Act (ERISA), the Internal Revenue Code, or both | Three years |
| State comptroller | Experience in investment matters | Three years |
| State treasurer | Experience in investment matters | Three years |

All appointments to the board must be made by July 31, 2014. Following the expiration of their initial terms, subsequent legislative leader and gubernatorial appointees will serve three-year terms. Any vacancy must be filled by the appointing authority within 30 calendar days. Previously appointed board members may be reappointed.

The comptroller and the treasurer must serve as board chairpersons and hold the first board meeting by August 10, 2014. The board must meet at least monthly.

Each member must, within 10 calendar days after appointment, take an oath to diligently and honestly

administer the board's affairs and not knowingly violate or willingly permit violations of the applicable trust law. Each member's term begins when the member takes the oath, which must be administered by the comptroller or treasurer. A majority of the members constitute a quorum.

The act requires each trustee to file a statement of financial interests, as described by law, with the board and Office of State Ethics. The statement is a public record. The members serve without pay but, within available appropriations, receive reimbursements for travel and other necessary expenses. The board is within the Comptroller's Office for administrative purposes only.

Board Functions

In addition to conducting the feasibility study and developing the comprehensive proposal, the board may, under the act:

1. enter into contracts for any legal, actuarial, accounting, custodial, advisory, management, administrative, advertising, marketing, and consulting services needed and pay for them with funds in an account the act requires the comptroller to establish (see below);
2. form working groups as necessary to (a) solicit feedback from key stakeholders on the plan's design, (b) advocate for changes in federal retirement law to improve retirement security, (c) assess the plan's impact on reducing public assistance costs for the elderly in the state, and (d) determine if changes in federal or state tax law would help employees in the state save for retirement;
3. accept any bequest, devise, or gift of money or personal property, and use it for the purposes the bequest, devise, or gift specifies; and
4. apply for grants or financial assistance from any person, group, corporation, or state or federal agency.

Board Account

The act requires the comptroller to establish a separate, nonlapsing General Fund account to support the board's required activities. Any grants or financial assistance the board receives must be deposited in this account.

Market Feasibility Study

The board must conduct a market feasibility study to determine whether the goals and design features required for implementing the plan can be accomplished and recommend methods to accomplish them. The study

must examine the:

1. likely participation rates,
2. contribution levels,
3. rate of account closures and rollovers,
4. ability to provide employers with a payroll deposit system for remitting employee contributions,
5. funding options for implementing the plan,
6. likely insurance costs and whether the costs should be subject to a limit on annual administrative expenses, and
7. legal compliance needed to ensure that the (a) Roth individual retirement accounts (IRAs) provided by the plan qualify for favorable income tax treatment ordinarily given to IRAs under the Internal Revenue Code and (b) plan is not treated as an employee benefit plan under ERISA.

Implementation Proposal

The act requires the board, after completing the market feasibility study, to develop a comprehensive proposal to implement the plan. It must do this in consultation with qualified employers, potential plan participants, financial service representatives, and other stakeholders. Under the act, qualified employers include any person, corporation, LLC, firm, partnership, voluntary association, joint stock association, or other entity that employs at least five people in Connecticut. It does not include public-sector employers, including any municipality, unit of a municipality, or municipal housing authority.

The board's proposal must include goals and design features that:

1. increase access and enrollment in quality retirement plans without incurring state debts or liabilities;
2. reduce the need for public assistance through a system of prefunded retirement income;
3. minimize the need for plan participants' financial sophistication;
4. promote transparency and accountability in the management of retirement funds through oversight, regular reporting to plan participants, and ethics review of plan fiduciaries;
5. pay all expenses, including employee costs, incurred to implement, maintain, advertise, and administer the plan from money collected by or for the trust (which presumably will be established to hold deposits in the retirement plan);
6. provide plan portability by keeping IRAs for each plan participant (i.e., allow an employee's account to follow him or her through different

- employers);
7. have low administrative costs limited to an annual predetermined percentage;
8. provide an annuitized benefit with options for converting to a lump sum payout upon retirement and spousal and preretirement death benefits to enable a participant to bequeath assets to beneficiaries;
9. provide an annually predetermined guaranteed rate of return and procure insurance, as needed, to guarantee it;
10. implement a default contribution rate and allow participants to change their contribution levels;
11. comply with all applicable federal or state laws, rules, and regulations;
12. ensure that plan participants and IRAs qualify for the favorable federal income tax treatment ordinarily given to IRAs under the Internal Revenue Code;
13. ensure the plan is not treated as an employee benefit plan under ERISA;
14. contain a process to (a) determine employer, employee, or anyone else's participation in the plan and (b) ensure mandatory participation by qualified employers that do not offer employer-sponsored plans;
15. provide a process for a qualified employer to credit a plan participant's contributions to his or her IRA through payroll deposit;
16. give an employer immunity for investment returns, plan design, and retirement income paid to plan participants;
17. provide a process for streamlined enrollment of plan participants, including automatic enrollment unless an employee chooses to opt out;
18. disseminate education information to potential participants about saving and planning for retirement;
19. establish a secure website to help qualified employers identify vendors of retirement arrangements that the employers could implement instead of the board's plan;
20. legally enforce employer plan obligations;
21. ensure that any assets held for the plan are used to (a) distribute IRA savings balances to plan participants and (b) pay the plan's operation, administrative, and investment costs;
22. ensure that any amounts deposited in the plan do not constitute state property and are not mixed with state funds;
23. ensure that the (a) plan is not construed as a state department, institution, or agency and (b) state has no claim to or against, or interest in, amounts deposited in the plan;

24. ensure that (a) any plan contract or obligation does not constitute a state debt or obligation, (b) the state has no obligation to any designated beneficiary or other person because of the plan, and (c) all amounts obligated to be paid under the plan are limited to amounts available to pay such an obligation;
25. ensure that the plan will continue to exist as long as it holds any deposits or has any obligations and until its existence is terminated by law and, upon termination, any unclaimed asset returns to the state; and
26. ensure that property used in the plan must be governed by the law that addresses abandoned property held by a fiduciary.

§§ 186-190 — CIVIL PROTECTION ORDERS

Sexual Abuse, Sexual Assault, or Stalking Victims

The act allows the Superior Court to issue a new type of order called a civil protection order to an applicant who (1) is a victim of sexual abuse, sexual assault, or 1st, 2nd, or 3rd degree stalking; (2) has not obtained any other court order of protection arising out of the abuse, assault, or stalking; and (3) does not qualify for relief under a civil restraining order, which, under existing law, is granted only to family and household members (see § 120).

Application. The act requires an application for a civil protection order to be accompanied by an affidavit made under oath and include a statement of the specific facts that form the basis for relief.

Ex Parte Order. Under the act, the court may issue an ex parte order granting appropriate relief if it finds reasonable grounds to believe that the applicant is in imminent danger. The act allows the court to consider any relevant court records available to the public from a Superior Court clerk or on the Judicial Branch's website.

The act requires the court clerk to provide two copies of any ex parte orders to the applicant.

Hearing. The court must schedule a hearing within 14 days after receiving an application meeting the above requirements. If the court is closed on the scheduled hearing date, the hearing must be held on the next day the court is open and any ex parte order that was issued must remain in effect until the hearing date.

Service of Process. Under the act, at least five days before the hearing, the applicant must have a notice of the hearing and a copy of the application, affidavit, and any ex parte order served on the respondent by a proper officer, such as a state marshal. The act requires the Judicial Branch to pay the cost of serving process.

The officer, immediately after serving process on the respondent, must send or cause to be sent, by fax or other means, a copy of the application, or the information contained in it, stating the date and time the respondent was served, to the law enforcement agency or agencies for the town where the (1) applicant resides, (2) applicant is employed, and (3) respondent resides.

Order After Hearing. Under the act, the court, may make such orders as it deems appropriate to protect the applicant if it finds reasonable grounds to believe that the respondent (1) has committed an act or acts constituting grounds for it to issue an order and (2) will continue to commit such an act or acts designed to intimidate or retaliate against the applicant.

The act allows the court to consider any relevant court records available to the public from a Superior Court clerk or on the Judicial Branch's website.

Under the act, a civil protection order may include an order prohibiting the respondent from:

1. imposing any restraint on the applicant's person or liberty;
2. threatening, harassing, assaulting, molesting, sexually assaulting, or attacking the applicant; and
3. entering the applicant's dwelling.

Duration and Termination. Under the act, a civil protection order, whether issued ex parte or after a hearing, must not exceed one year, unless extended by the court. The act allows the court to extend the order if:

1. the applicant filed a proper motion,
2. a proper officer has served the respondent a copy of the motion,
3. no other protection order based on the same facts and circumstances is in place, and
4. the need for protection still exists.

Notice of Order. When a court grants an order after notice and hearing, the clerk must provide two copies of it to the applicant and a copy to the respondent. The act also requires every such order to be accompanied by a notice that complies with the federal full faith and credit provisions.

Distribution of Orders. The clerk must send, by fax or other means, a copy of any ex parte order and any order issued after notice and hearing, or the information contained in it:

1. to the law enforcement agency or agencies for the town where the (a) applicant resides, (b) applicant works, and (c) respondent resides, within 48 hours after the issuance of the order and
2. at the applicant's request, to the (a) school or higher education institution at which he or she is enrolled, (b) president of such a higher education institution, and (c) special police force established, if any, at the institution.

The act specifies that an action for a civil protection order does not preclude the applicant from subsequently seeking any other civil or criminal relief based on the same facts and circumstances.

Penalties for Civil Protection Order Violations

The act makes it a crime for someone who has a civil protection order against him or her and knows of its terms to violate the order. Criminal violation of a civil protection order is a class D felony (see Table on Penalties).

The act makes it 1st degree criminal trespass for a person, without permission or privilege to do so, to enter or remain in a building or any other premises in violation of a civil protection order. By law, 1st degree criminal trespass is a class A misdemeanor (see Table on Penalties).

Protective Orders Registry

The act expands the chief court administrator's automated protective orders registry by requiring that it also include civil protection orders. Under prior law, the registry contained (1) protective or restraining orders issued by Connecticut courts and (2) foreign protective orders registered in Connecticut. By law, the registry must clearly indicate the orders' start and end dates, if specified, and duration.

State Marshals – Civil Process

The act expands the duties of state marshals by authorizing them to serve civil protective orders. It specifies that such orders constitute civil process.

Under the act, the Judicial Branch must pay the cost of serving civil protective orders in the same way it pays the cost of serving civil restraining orders. Fees and expenses associated with the serving of such process must be calculated in the same way they are for other types of service of process.

EFFECTIVE DATE: January 1, 2015

§ 191 — FAMILY VIOLENCE VICTIM ADVOCATES

The act requires the chief court administrator to allow one or more family violence victim advocates to provide services to domestic violence victims in the Superior Court's family division in one or more judicial districts in the state.

Under the act, a "family violence victim advocate" is a person:

1. employed by and under the control of a direct service supervisor of a domestic violence agency (e.g., an office, shelter, or agency that meets DSS criteria and helps domestic violence

victims through crisis intervention, emergency shelter referral, and medical and legal advocacy);

2. who has completed at least 20 hours of training on the dynamics of domestic violence, crisis intervention, communication skills, working with diverse populations, an overview of the state criminal justice and civil family court systems, and state and community resources for victims of domestic violence;
3. certified as a counselor by the domestic violence agency that provided the training; and
4. whose primary purpose is rendering advice, counsel, and assistance to, and advocating for, domestic violence victims.

EFFECTIVE DATE: January 1, 2015

§ 192 — FEDERALLY QUALIFIED HEALTH CENTER (FQHC) DOCUMENT FILING DEADLINE

The law requires FQHCs, on January 1 annually, to file the following with DSS for the previous fiscal year: (1) a Medicaid cost report, (2) audited financial statements, and (3) any additional information DSS reasonably requires. The act allows an FQHC that does not use the state fiscal year calendar to file the required documents within six months after its fiscal year ends.

FQHCs are community-based clinics that provide primary and preventive health care services to "medically underserved" populations or areas without regard to a patient's ability to pay.

§ 193 — DSS REIMBURSEMENT FOR ELECTRONIC PRESCRIPTIONS FOR DURABLE MEDICAL EQUIPMENT

The act requires the DSS commissioner, by July 1, 2014, to accept electronic transmission of prescriptions for reimbursement under the medical assistance program for durable medical equipment, including wheelchairs, walkers, and canes. The prescriptions must be electronically signed by a licensed health care provider with prescriptive authority.

EFFECTIVE DATE: Upon passage

§ 194 — DSS HOSPITAL PAYMENT EVALUATION AND PAY-FOR-PERFORMANCE PROGRAM FOR CERTAIN PROVIDERS

The law requires DSS to reimburse acute care and children's hospitals for serving Medicaid recipients based on diagnostic related groups (DRGs) that the DSS commissioner establishes and periodically rebases. Such a system permits payment based on the severity of each patient's illness. In practice, DSS is in the process of implementing this system.

Under the act, when DSS converts to the DRG payment methodology, the commissioner must evaluate such payments for all hospital services, including conducting a review of pediatric psychiatric inpatient hospital units. The act allows the DSS commissioner, within available appropriations, to implement a pay-for-performance program for pediatric psychiatric inpatient care.

§ 195 — PAYMENT RATES AT RESIDENTIAL CARE HOMES (RCH)

The act allows the DSS commissioner, at his discretion, to waive specified DSS regulations and make other changes to RCH cost reporting for rate-setting for FY 15, subject to available appropriations. Such changes could affect rates paid by DSS to RCHs. By law, for FY 14 and FY 15, DSS may increase rates, within available appropriations and other limits, for those facilities with a calculated rate greater than the one in effect in FY 13.

By law, RCHs providing services to Medicaid recipients must provide annual cost reports to DSS. DSS generally uses these reports to calculate a per-diem rate to pay the homes to provide services to Medicaid recipients.

Allowable Changes

Under the act, the commissioner may increase, to a maximum of 5%, the inflation cost limitation on certain costs reported by RCHs. By regulation, this limitation applies to (1) dietary expenses; (2) laundry; (3) housekeeping; and (4) routine nursing care, excluding care provided at nonmedical facilities (e.g., homes for the aged).

DSS regulations require the agency to calculate an allowance for RCH real property costs (e.g., costs for land, buildings, and non-moveable equipment) in part by applying a rate of return (ROR) on the value of part of the property and adjusting that ROR after 10 years. The act allows the commissioner to change the ROR for real property by:

1. establishing a 5% minimum ROR on real property, including property acquired in FY 13;
2. waiving the standard ROR for property costs for (a) ownership changes or (b) health and safety improvements exceeding \$100,000 required under a DPH consent order; and
3. waiving the ROR adjustment to avoid financial hardship (presumably, for the RCH).

§ 196 — SALES AND USE TAX EXEMPTION FOR SALES TO CONNECTICUT CREDIT UNIONS

The act exempts sales of goods or services to Connecticut credit unions from the sales and use tax. A Connecticut credit union is a credit union that:

1. is a cooperative, nonprofit financial institution organized under, and the membership of which is limited by, Connecticut law;
2. operates for the benefit and general welfare of its members with the earnings, benefits, or services offered being distributed to, or retained for, its members; and
3. is governed by a volunteer board of directors elected by and from its membership.

Sales to federally chartered credit unions are already exempt from the Connecticut sales and use tax.

EFFECTIVE DATE: July 1, 2016, and applicable to sales occurring on or after that date.

§ 197 — STATEWIDE PLAN TO PROVIDE EDUCATION, TRAINING, AND JOB PLACEMENT IN EMERGING INDUSTRIES

The act requires the Connecticut Employment and Training Commission (CETC) to develop, in collaboration with regional workforce development boards, a statewide plan and funding proposal to implement, expand, or improve on contextualized learning, career certificate, middle college, and early college high school programs. The programs must provide education, training, and placement in available jobs in manufacturing, health care, construction, green industries, and other emerging sectors of the state's economy. CETC must report to the Higher Education and Employment Advancement Committee on the plan by January 1, 2015. It must report to the committee on the four programs by September 1, 2015, and annually thereafter.

Programs Under the CETC Statewide Plan

Contextualized Learning. The act defines “contextualized learning” as an educator-designed learning environment that incorporates experiences, including social, cultural, physical, and psychological experiences, to achieve desired learning outcomes.

Career Certificate Program. By law, the education commissioner may award career certificates to high school and postsecondary school students who successfully complete school-to-career programs approved by the education and labor commissioners. The school-to-career programs must consist of school- and work-based instruction and connecting activities that coordinate them (CGS § 10-20a).

Middle College Program. The act defines a “middle college program” as a collaboration between a school district’s high schools and a regional community-technical college or four-year college or university where a student can:

1. take core high school courses or college-level courses for college credit and
2. attribute all earned credits from the courses toward a college or university program in which the student enrolls upon middle college graduation.

Early College High School. The act defines “early college high school” as a school attended by students underrepresented in colleges and universities, including low-income youth, first-generation college students, English language learners, and minority students. This school allows students to simultaneously earn, tuition-free, a high school diploma and (1) an associate’s degree or (2) up to two years of credit toward a bachelor’s degree.

§ 198 — TWO-GENERATIONAL SCHOOL READINESS PLAN

The act requires the Commission on Children to establish a two-generational school readiness plan, within available appropriations, and by December 1, 2014, report on the plan to the Appropriations, Children’s, Education, and Higher Education and Employment Advancement committees. The plan must promote long-term learning and economic success for low-income families by addressing intergenerational barriers to school and workforce readiness through (1) high quality preschool, (2) intensified workforce training, (3) targeted education, and (4) related support services.

The act requires the commission’s plan to include recommendations for:

1. promoting and prioritizing access to high quality early childhood programs for children up to five years old living at or below 185% of the federal poverty level;
2. providing the parents of such children with (a) the opportunity to acquire their high school diplomas, (b) adult education, and (c) technical skills to increase their employability and sustainable employment; and
3. funding the plan’s implementation by using the Temporary Assistance for Needy Families program and other federal, state, and private sources.

EFFECTIVE DATE: Upon passage

§ 199 — FINANCIAL LITERACY INSTRUCTION

The act allows BOR, SDE, and the UConn Board of Trustees (BOT), in consultation with the Department of Banking, to develop a plan to provide students in public high schools and state higher education institutions with financial literacy instruction, including the impact of using credit and debit cards. The instruction may be provided during a public high school student’s final year and by the end of the second semester for students at state higher education institutions.

The act also requires (1) BOR, BOT, and SDE to work with the Banking Department to secure federal, state, or private funding to implement the plan and (2) the SDE and banking commissioners, BOR president, and BOT chairperson to report on the plan status to the Banks Committee by January 1, 2015.

§ 200 — WATER UTILITY COORDINATING COMMITTEE (WUCC) CONSULTANT CONTRACTS

The act increases, from \$200,000 to \$250,000, the cap on contracts the DPH commissioner may enter into with consultants to provide services to WUCCs.

The state is divided into seven management areas based on factors such as similarity of water supply problems, proliferation of small water systems, groundwater contamination, and over-allocated water resources. DPH convenes a WUCC for a particular public water supply management area to address these issues. A WUCC consists of one representative from each (1) public water system with a supply source or service area in the management area and (2) regional planning agency in the management area (CGS §§ 25-33d to -33j).

§§ 201-203 — INTERNET SWEEPSTAKES CAFES

The act makes it a class A misdemeanor (see Table on Penalties) to conduct or promote a sweepstakes or promotional drawing that (1) is not related to the bona fide sale of goods, services, or property or (2) uses a simulated gambling device. Such operations are often referred to as “Internet sweepstakes cafes,” which are storefronts that sell products (e.g., phone cards or Internet time) that provide entries into a sweepstakes game that may yield cash prizes. Customers who buy the product are given a specified amount of entries in the sweepstakes. Customers can determine if they have won immediately or by playing a slot-like program. If they have a positive balance, they can redeem the entries for cash. The act subjects violators who use any simulated gambling device or premises in operating an Internet sweepstakes cafe to additional enforcement actions and penalties.

The act allows retail grocery store chains to conduct sweepstakes for discounts using a simulated gambling device when the sweepstakes are related to grocery sales. It also (1) defines and modifies terms related to Internet sweepstakes cafe devices, premises, and other items, among other things, and (2) makes minor, technical, and conforming changes.

Simulated Gambling Devices and Gambling Premises

Under the act, a “simulated gambling device” is any mechanically, electrically, or electronically operated machine, network, system, or device that:

1. is intended to be used by an entrant to a sweepstakes or a promotional drawing;
2. displays a simulated gambling display on a screen or mechanism; and
3. is owned, leased, or possessed by a sponsor or a promoter, or any partners, affiliates, subsidiaries, or contractors.

A “simulated gambling display” is visual or aural information that takes the form of actual or simulated gambling or gaming play, including a video game version of:

1. poker or any other playing card game;
2. a slot machine or other game based on or involving the random matching of different pictures, words, numbers, or symbols;
3. bingo;
4. craps;
5. keno; or
6. lotto.

The act makes any simulated gambling device used in, or premises used for, illegal sweepstakes or promotional drawings a “common nuisance.” It also (1) allows peace officers to seize such devices upon detection and (2) subjects the premises and the people affiliated with the premises to existing gambling premises law.

By law, any license, permit, or certificate associated with a gambling premises is voided and cannot be reissued for 60 days. If the owner, lessee, agent, employee, operator, or occupant knowingly maintains, aids, or permits the gambling premises, he or she is guilty of a class A misdemeanor (see Table on Penalties). It is a class D felony (see Table on Penalties) if such person does so (1) at any locked, barricaded, or camouflaged place; (2) with any electrical or mechanical alarm or warning system; or (3) with a lookout (CGS § 53-278e).

Grocery Store Exemption

The act allows retail grocery chains to conduct or promote sweepstakes using simulated gambling devices if the sweepstakes are related to grocery sales and the

prizes are (1) not redeemed or redeemable for cash and (2) only used as a discount for items purchased from the store. A retail grocery chain is an operator or franchisor of five or more retail establishments whose primary business is selling groceries.

Sweepstakes and Promotional Drawings

Under prior law, “sweepstakes” were legal contests or games where a prize was distributed by lot or chance. The act (1) expands sweepstakes to include competitions, schemes, or plans and (2) requires sweepstakes to be conducted by a sponsor or promoter only for advertising or promotional purposes related to the sale of goods, services, or property. By law, unchanged by the act, a person does not need a permit or license to operate sweepstakes in Connecticut.

Under prior law, a “sponsor” was someone on whose behalf a sweepstakes was conducted to advertise his or her goods or services. The act (1) requires sponsors to primarily be in the business of selling goods, services, or property and (2) allows sponsors to authorize a sweepstakes or promotional drawing to be conducted to promote or advertise their property, in addition to goods or services. It also makes conforming changes to the “promoter” and “prize” definitions to include promotional drawings.

§§ 204-206 — NEGLECTED CEMETERIES

The act establishes a “neglected cemetery account,” funded by fees DPH receives for death certificates, as a separate, nonlapsing General Fund account. The act requires OPM to use the account’s funds for municipal maintenance of neglected burial grounds and cemeteries. It allows municipalities to apply for funds on a form and in the manner the OPM secretary prescribes.

The act protects municipalities and their employees, officers, and agents from civil or criminal liability arising from their care and maintenance of a neglected burial ground or cemetery. It also specifically allows municipalities to mow the lawns of neglected burial grounds or cemeteries, and makes minor and technical changes regarding municipal authority to care for such sites.

By law, municipalities can undertake certain maintenance of burial grounds or cemeteries that (1) have more than six places of internment; (2) are not under the control or management of a functioning cemetery association; and (3) show certain signs of neglect, including weeds and damage to fences.

EFFECTIVE DATE: October 1, 2014

§§ 207 & 249 — OPTIONAL METHOD OF FORECLOSURE

The act changes the effective date of PA 14-84, from October 1, 2014 to January 1, 2015. PA 14-84 establishes an optional method of foreclosure for certain residential properties, called “foreclosure by market sale,” which is a court-approved sale on the open market upon the mortgagee’s (lender’s) request and with the mortgagor’s (borrower’s) consent.
EFFECTIVE DATE: Upon passage with a conforming change effective January 1, 2015.

§§ 208 & 256 — OPERATION FUEL

The act annually transfers \$1.1 million collected through the systems benefits charge (SBC) to Operation Fuel, beginning July 1, 2014. The act allows \$100,000 of that sum to be used for administrative purposes. By law, the SBC is a charge on electric company bills that covers the cost of implementing various public policies. Operation Fuel is a nonprofit organization that provides limited energy assistance to households that are ineligible for other programs or have exhausted benefits under those programs.

The act also repeals a provision in PA 14-47 that transferred \$500,000 from the SBC to Operation Fuel for FY 15.
EFFECTIVE DATE: Upon passage

§ 209 — REMEDIAL SUPPORT FOR HIGHER EDUCATION STUDENTS

The act increases the remedial support the four Connecticut State Universities and 12 regional community-technical colleges (CTCs) must offer to help students succeed in college-level courses. It requires these institutions to provide remedial support to eligible students strictly through a three-tiered remediation system that uses supports and programs both embedded in and independent of required coursework. Remediation tiers in the act consist of (1) embedded support, as described in existing law; (2) intensive semester-long support; and (3) transitional college readiness programs. The act also delays, from fall 2014 to fall 2015, a requirement that CTCs provide embedded support in entry-level classes.

Table 7 describes the remediation types and required phase-in timeline under prior law and the act.

Table 7: Remediation Types and Timelines

| <i>Remediation under Prior Law (CGS § 10a-157a)</i> | <i>Remediation under the Act</i> |
|--|--|
| <i>Embedded Support.</i> By fall 2014, CSUS institutions and CTCs must offer embedded remedial support within entry-level classes to any student found likely to succeed in college level work with such support, based upon multiple commonly accepted measures of skill level. | <i>Embedded Support.</i> CSUS institutions and CTCs must offer embedded remedial support to eligible students as required under existing law. However, CTCs are not required to begin offering such support until fall 2015. |
| <i>Non-embedded support (optional).</i> Beginning fall 2014, CSUS institutions and CTCs may offer any eligible student a maximum of one semester of non-embedded support, as long as it is (1) intended to advance the student toward earning a degree and (2) a remedial program approved by BOR. | <i>Intensive Semester-Long Support.</i> By fall 2015, CSUS institutions and CTCs must offer intensive semester-long support to any student below the skill level for college success even with supplemental support. Intensive support must (1) provide necessary skills for entry level college course placement and (2) allow a student to repeat it at least once, subject to the institution’s course repeat policy. |
| <i>Intensive College Readiness Program.</i> By fall 2014, CSUS institutions and CTCs must offer an intensive college readiness program to any student found to be below the skill level required for success in college work. The institution must offer the program before the start of the upcoming semester, prior to the student receiving embedded support. | <i>Transitional College Readiness Program.</i> By fall 2015, CSUS institutions and CTCs must offer a transitional college readiness program to any student below the skill level required for success in an intensive semester of remedial support, prior to (1) the start of the upcoming semester and (2) receiving embedded or intensive support. |

The act also allows BOR and SDE to enter into a MOU to deliver a transitional college readiness program that enables adults to enroll directly in a college or university upon completion. It requires BOR, in consultation with Connecticut’s P-20 Council and the BOR Faculty Advisory Committee, to develop options for this program by the start of the fall 2014 semester.

§ 211 — YOUTH EMPLOYMENT PROGRAM

The act requires \$1 million of the \$5.5 million FY 15 appropriation for DOL's Connecticut Youth Employment Program to be distributed through the Workforce Investment Boards (WIB) to the following cities' FY 15 youth employment programs:

1. Bridgeport, up to \$164,000;
2. East Hartford, up to \$65,000;
3. Hartford, up to \$172,000;
4. Meriden, up to \$71,000;
5. New Britain, up to \$87,000;
6. New Haven, up to \$149,000;
7. Stamford, up to \$123,000;
8. Waterbury, up to \$143,000; and
9. Windham, up to \$26,000.

The act prohibits any WIB from using more than 5% of the distributed funds for administrative costs. It also requires each WIB, by January 1, 2015, to submit a report to the Appropriations Committee on the distributed funds' use. The report must include (1) the number of youths served by each municipality receiving funds, (2) the types of employment in which participants engaged, (3) the ages of those served, and (4) their employment retention rate.

The state's five WIBs are responsible for oversight, strategic planning, and policymaking related to workforce development activities provided through local One-Stop CTWorks Career Centers. Among other things, they administer the DOL's Youth Employment Program, which helps high school-age students find summer jobs, and offers various training and mentoring programs.

§ 212 — SOUTHEASTERN CONNECTICUT BIOSCIENCE BUSINESS DEVELOPMENT PROGRAM

The act creates a program to promote the development of bioscience and biotechnology businesses in the Southeastern Connecticut Planning Region. It does so by requiring DECD to (1) develop such a program, in consultation with Connecticut Innovations, Inc., Connecticut United Research for Excellence, Inc., the Southeastern Connecticut Enterprise Region, the Chamber of Commerce of Eastern Connecticut, and other organizations in the region with expertise in fundraising, networking, marketing, and forming or assisting start-up businesses, and (2) establish and administer the program by February 1, 2015.

By February 1, 2017, DECD must include a report on the program in its annual report.

Program Requirements

The program must include:

1. outreach to entrepreneurs, regional community and business leaders, and bioscience and biotechnology experts to (a) determine their needs and objectives and (b) inform them of state resources and programs available to help form bioscience and biotechnology businesses in the planning region;
2. a marketing plan for bioscience and biotechnology development in the region, including the goals, timetable, and budget for the plan and how the organization will identify and market regional assets, such as the region's facilities and talent pool; and
3. a working group of 10 to 15 business and community leaders from the planning region that will encourage networking and planning among professionals from different fields, support the development and occupancy of the incubator at CURE Innovation Commons, assess the program, and make recommendations to DECD on its development and implementation.

EFFECTIVE DATE: October 1, 2014

§§ 214-218 — TRANSFERS TO THE GENERAL FUND

PA 14-47 transfers, from the Tobacco and Health Trust Fund to the General Fund, \$1 million in each of FYs 14 and 15 and an additional \$3 million in FY 15. The act (1) repeals the FY 14 transfer, (2) requires the \$1 million transfer for FY 15 to be made in FY 14, and (3) makes a technical change to the \$3 million FY 15 transfer.

The act makes two additional FY 15 General Fund transfers, from the Biomedical Research Trust Fund and Private Occupational Student Protection account, effective upon passage, rather than July 1, 2014.

EFFECTIVE DATE: Upon passage, except the technical change is effective July 1, 2014.

§ 219 — MUNICIPAL PENSION DEFICIT FUNDING BONDS

The law allows municipalities to issue bonds to pay for unfunded past pension obligations. If a municipality issues such bonds, it must appropriate money for, and contribute to its pension plan, at least the actuarially required contribution (ARC) in each fiscal year that it has outstanding bonds for the plan. The ARC is (1) established by the plan's actuarial valuation, (2) based on generally accepted accounting principles, and (3) generally set according to a fixed payment schedule that cannot exceed the longer of 10 years or 30 years from

the date when the bonds were issued.

The act exempts any municipality in New Haven County with a population of less than 65,000 that issues pension deficit funding bonds by June 30, 2015 from the ARC requirements for the first four fiscal years of the bond issuance. Instead, it requires such a municipality to make the payments as shown in Table 8.

Table 8: ARC Requirements under the Act

| <i>Fiscal Year</i> | <i>Required Contribution</i> |
|---|--|
| 1 (fiscal year in which the bonds are issued) | At least 50% of the ARC |
| 2 | Lesser of (1) 55% of the ARC or (2) \$5 million more than the first year's contribution |
| 3 | Lesser of (1) 70% of the ARC or (2) \$5 million more than the second year's contribution |
| 4 | Lesser of (1) 80% of the ARC or (2) \$5 million more than the third year's contribution |
| 5 and each fiscal year thereafter | 100% of the ARC |

If a municipality issuing pension deficit funding bonds under these provisions fails to meet the required ARC in any fiscal year, the act authorizes the Municipal Finance Advisory Commission to require the municipality's chief fiscal officer or chief executive official to appear before the commission.

EFFECTIVE DATE: Upon passage

§ 220 — MEDICAID STATE PLAN PROVIDER EXPANSION

The act requires the DSS commissioner, by October 1, 2014, to amend the Medicaid state plan to include services provided to Medicaid recipients age 21 or older by the following licensed behavioral health clinicians: psychologists, clinical social workers, alcohol and drug counselors, professional counselors, and marriage and family therapists. Under the act, the commissioner must include the clinicians' services as optional services under the Medicaid plan and directly reimburse clinicians who (1) are enrolled as Medicaid providers and (2) treat Medicaid recipients in independent practice settings.

The act allows the commissioner to implement policies and procedures necessary to implement these changes in advance of regulations, provided he prints notice of intent to adopt regulations within 20 days of implementing the policies and procedures. The policies and procedures remain valid until final regulations are adopted.

§ 221 — UCONN AND UCHC POLICE

The act makes members of the UConn and UCHC police departments unclassified, instead of classified, state employees. Unlike classified state employees, unclassified employees are not subject to things such as (1) DAS-administered civil service examinations for hiring and promotions (CGS §§ 5-200(a) & 5-216) and (2) OPM certification for creating new positions or filling vacancies (CGS § 5-214).

By law, DAS must periodically evaluate unclassified positions held by unionized employees to determine if the positions are in the appropriate compensation plan. The act exempts the unclassified UConn and UCHC police from these evaluations. It also excludes the compensation of their nonunion members from being determined under DAS-established compensation plans.

The act requires UConn's president to establish classifications for the UConn and UCHC police using objective job-related criteria that include (1) knowledge and skill required to carry out the position's duties, (2) mental and physical effort, and (3) accountability. The president must also establish and administer all necessary examinations for the two police departments.

The law generally allows the DAS commissioner to issue orders that provide the same rights and benefits to Executive or Judicial Branch employees, whether they are union or nonunion or classified or unclassified (CGS § 5-200(p)). He cannot, however, include unclassified employees of the constituent units of higher education in this equation, which under the act, include UConn and UCHC police.

The act specifies that positions in the two police departments are within the bargaining unit that represents protective services employees (as they currently are) and cannot be severed from it. The act also makes a technical change that fixes an incorrect statutory reference.

EFFECTIVE DATE: Upon passage

§ 222 — EXEMPTION FROM AFFORDABLE HOUSING LAND USE APPEALS PROCEDURE

The act suspends the applicability of the affordable housing land use appeals procedure (CGS § 8-30g), from January 1, 2014 through December 31, 2014, in any municipality in which (1) at least 6% of the housing stock is classified as affordable and (2) the planning and zoning commission, with regard to affordable housing development applications, (a) approved an affordable housing development application on or after November 1, 2013, (b) denied such an application and it was the subject of an appeal that was pending as of April 1, 2014, and (c) was considering an application as of April 15, 2014.

Under the act, the suspension applies as of January 1, 2014 to any application filed, or appeal pending, in a municipality meeting the above criteria.

EFFECTIVE DATE: Upon passage

§ 223 — SHARON HOSPITAL SALES TAX EXEMPTION

The act expands, for the next three fiscal years, a sales and use tax exemption that applies to a hospital that meets specified criteria. It then ends the exemption.

The prior exemption applied to sales of personal property or services to an acute care, for-profit hospital, operating on that basis as of May 12, 2004, for the hospital's purposes connected with the constructing and equipping of any facility of the hospital for which a certificate of need was filed before, and was pending on, May 12, 2004.

For FY 15 through FY 17, the act instead exempts any sales of tangible personal property or services to and by an acute care hospital, operating as a "sole community hospital," as defined by federal law, exclusively for its purposes. Federal law defines a "sole community hospital" as one that is more than 35 miles from similar hospitals or located in a rural area and meets one of several other conditions (42 CFR § 412.92).

The prior exemption applied only to Sharon Hospital. Similarly, at present, Sharon Hospital is the only "sole community hospital" in the state. Existing law, unchanged by the act, exempts sales of personal property to and by nonprofit charitable hospitals.

§ 224 — "CARE 4 KIDS" PROGRAM

The act expands the list of people and families to whom DSS must give priority eligibility for child care subsidies through the Care 4 Kids program. It gives such status to any household with a child or children participating in the federal Early Head Start Child Care Partnership grant program for up to 12 months. By law, teen parents, low-income working families, and certain others already receive priority over others in the subsidy program.

Through Care 4 Kids, DSS offers, within available appropriations, child care subsidies to working families and certain others who have income under 50% of the state median income (SMI). Once a family becomes eligible, family income can rise to 75% of SMI.

§ 225 — ADMISSIONS TAX EXEMPTION FOR WEBSTER BANK ARENA

The act exempts admission charges for events held at the Webster Bank Arena in Bridgeport from the 10% admissions tax. (PA 14-47, § 49, similarly exempts admissions charges for events held at the XL Center in

Hartford from the tax.)

§ 226 — ENVIRONMENTAL IMPACT REVIEWS FOR INDUSTRIAL REINVESTMENT PROJECTS

By law, state agencies must consider environmental factors when deciding to fund a project or do other things that could significantly affect the environment (environment impact evaluations (EIE)) (CGS §§ 22a-1 to 22a-1h). Under the act, any EIE the state completed for proposed improvements to the Rentschler Field Development is deemed to include any planned, proposed, or state-certified industrial reinvestment project (IRP) under PA 14-2, including its discrete parts or segments. (Neither the act nor the statutes define "Rentschler Field Development," but the term appears to refer to the sports stadium project at Rentschler Field in East Hartford. OPM approved an EIE for the project on September 18, 2000.)

IRPs are large-scale projects manufacturers may propose under PA 14-2 to receive compensation for unused state research and development tax credits. An IRP must involve at least \$100 million in eligible expenditures over a period of up to five years. These include expenditures to design and construct facilities, purchase machines and equipment, conduct research and development, and hire and train employees. The amount of compensation for the unused credits depends partly on the total eligible expenditures. The compensation may be in the form of tax refunds or offsets or other financial assistance.

EFFECTIVE DATE: Upon passage

§§ 228 & 256 — MERGED REGIONAL PLANNING ORGANIZATIONS (RPO)

The act replaces existing transitional rules for RPOs (i.e., regional councils of government (COG), councils of elected officials (CEO), and regional planning agencies (RPA)) in planning regions in which a new COG is established (i.e., certified). Under prior law, transitional rules applied only when at least one CEO or RPA existed in a planning region in which a new COG was established. Under the act, similar transitional rules apply when two or more RPOs exist in a planning region in which a new COG is established. (Revised local planning regions will go into effect on January 1, 2015.)

Under the act, if a new COG is established in a planning region that already has two or more RPOs (existing RPOs), (1) the municipalities comprising the existing RPOs must negotiate a consolidation of operations and (2) a transitional period commences. During this period, the (1) individual activities of all existing RPOs continue and (2) chief elected official of each municipality in the planning region serves as a

transitional executive committee. The committee has authority and responsibility for proposing and preparing the following for adoption by the new COG:

1. bylaws;
2. staffing arrangements;
3. a program of planning and implementation activities providing for the assumption of active programs of the existing RPOs that the committee deems appropriate, following appropriate due diligence and good faith negotiations;
4. a budget for such assumed programs, for a period not to exceed one year from the end of the transitional period; and
5. the date on which the transitional period terminates, which must not be later than January 1, 2015.

The committee must also select and propose candidates, who may include committee members, for election by, and to serve as officers of, the new COG.

When the transitional period ends, the new COG succeeds and is responsible for the rights, privileges, and obligations, whether statutory or contractual, of an existing RPO related to any active program that the new COG assumes. If the new COG deems it unacceptable to assume a right, privilege, or obligation, an unincorporated association of municipalities that were members of the existing RPO may administer such right, privilege, or obligation for a term determined by the member municipalities.

The act also eliminates provisions that specify the conditions under which a COG (1) is deemed a CEO and (2) may become a CEO or RPA. (PA 13-247 requires CEOs and RPAs to reestablish themselves as COGs by January 1, 2015.)

The act also makes minor related changes.

EFFECTIVE DATE: Upon passage

§ 229 — NUTMEG NETWORK DEMONSTRATION PROJECTS

The act authorizes the OPM secretary to use \$1,311,198 in FY 15 from the regional planning incentive account for a grant to the Capitol Region Council of Governments (CRCOG) and the Connecticut Center for Advanced Technology (CCAT) to create statewide high-speed network (i.e., Nutmeg Network)-related demonstration projects. Of this grant, CRCOG and CCAT must use:

1. \$405,750 to develop an online portal for municipal human resources services, including wage and classification information and templates;
2. \$101,000 for (a) developing a pilot program allowing up to six municipalities to facilitate live Internet streaming of municipal meetings

and (b) CCAT to research less expensive and more mobile equipment alternatives for broadcasting municipal meetings over the Internet;

3. \$603,500 to develop an electronic document management system pilot program for up to six municipalities to (a) facilitate conversion to electronic document storage, (b) streamline file searches and storage, and (c) facilitate long-term systems and sharing of software services between municipalities;
4. \$95,200 to develop a voice-over Internet protocol pilot program to provide advanced communications services, including website and video conferencing, to up to six municipalities; and
5. \$105,748 to develop a hosting services pilot program for up to seven municipalities providing customized, host software solutions and a virtual data storage environment.

Under the act, municipalities are eligible to participate in the pilot programs if they are (1) members of any COG, (2) connected to the Nutmeg Network, (3) willing to participate, and (4) capable of participating successfully. Participating municipalities must be selected in consultation with the Connecticut Conference of Municipalities.

§ 230 — OPM YOUTH SERVICES PREVENTION GRANTS

Prior law specified how OPM's Youth Services Prevention appropriations should be distributed to certain government and other entities in FYs 14 and 15. PA 14-47, § 26 eliminated a \$100,000 grant to the Chester Addison Community Center for FY 15 and instead directed the funds to Domus of Stamford. The act repeals this provision and modifies these and other grant distributions for FY 15, as shown in Table 9. If OPM does not allocate a FY 15 grant to its designated recipient, the act requires the OPM secretary to reallocate the grant to one or more recipients designated for an FY 15 grant. He must notify the Appropriations Committee chairpersons of any reallocations.

Table 9: OPM Youth Services Prevention Grants

| <i>Grant Recipient</i> | <i>Prior Law's FY 14 and FY 15 Grant Amounts</i> | <i>Act's FY 15 Grant Amounts</i> |
|---|--|--|
| Action for Bridgeport Community Development | \$44,775 | \$44,700 |
| Artist Collective | 43,740 | 43,700 |
| Believe in Me, Inc. | 50,000 | 50,000 |
| Boys and Girls Club of Greater Waterbury | 60,357 | 60,300 |

| <i>Grant Recipient</i> | <i>Prior Law's FY 14 and FY 15 Grant Amounts</i> | <i>Act's FY 15 Grant Amounts</i> |
|--|--|----------------------------------|
| Boys and Girls Club of Stamford | \$45,994 | \$96,000 |
| Boys and Girls Clubs of Southeastern Connecticut | 81,104 | 0 |
| Bridgeport PAL | 134,326 | 134,200 |
| Chester Addison Community Center | 100,000 | 0 |
| City of Bridgeport Office of Revitalization | 67,163 | 67,150 |
| City of Meriden Police Department | 150,652 | 150,500 |
| Communities That Care | 42,177 | 85,900 |
| Compass Youth Collaborative Peacebuilders Program | 396,661 | 396,400 |
| Dixwell Summer Stream - Dixwell United Church of Christ | 100,000 | 99,900 |
| DOMUS of Stamford (NEW) | 0 | 200,000 |
| East Hartford Youth Task Force Youth Outreach | 85,303 | 85,200 |
| Ebony Horsewomen, Inc. | 42,177 | 42,150 |
| Family Re-entry Inc. (Fresh Start Program) | 67,163 | 67,150 |
| Gang Resistance Education Training (Captain Roderick Porter) | 67,163 | 67,150 |
| Hartford Knights | 42,177 | 42,150 |
| Hispanic Coalition of Greater Waterbury, Inc. | 60,357 | 60,300 |
| Human Resource Agency of New Britain, Inc. | 100,000 | 99,900 |
| Institute for Municipal and Regional Policy | 341,339 | 341,000 |
| Joe Young Studios | 43,740 | 0 |
| Neighborhood Links Stamford | 25,000 | 0 |
| North End Action Team | 64,579 | 64,500 |
| Nurturing Families Network (New Britain) | 23,715 | 23,700 |
| OIC of New Britain | 45,000 | 45,000 |
| Pathways Senderos | 45,000 | 45,000 |
| Police Activities League of New Haven (NEW) | 0 | 50,000 |
| Police Activity League, Inc. (Long Hill Rec. Center) | 60,357 | 60,300 |
| Prudence Crandall Center Inc. of New Britain | 20,000 | 20,000 |
| rKids Family Center of New Haven (NEW) | 0 | 50,000 |
| Regional Youth Adult Social Action Partnership | 44,775 | 44,750 |
| River-Memorial Foundation, Inc. | 60,357 | 60,300 |
| Save Our Youth of Connecticut | 44,775 | 44,750 |
| Serving All Vessels Equally | 211,584 | 211,400 |
| Solar Youth New Haven | 30,446 | 30,400 |
| Supreme Being, Inc. | 42,177 | 42,150 |
| The Village Initiative Project, Inc. | 134,326 | 134,200 |
| Town of Manchester Youth Service Bureau Diversion | 85,303 | 85,200 |

| <i>Grant Recipient</i> | <i>Prior Law's FY 14 and FY 15 Grant Amounts</i> | <i>Act's FY 15 Grant Amounts</i> |
|---|--|----------------------------------|
| Program | | |
| W.O.W. (Walnut Orange Wood) NRZ Learning Center | \$60,357 | \$60,300 |
| Walter E. Lockett, Jr. Foundation | 67,163 | 67,150 |
| Willow Plaza Center | 60,357 | 60,300 |
| Wilson-Gray YMCA | 43,740 | 43,700 |
| Windsor Police Department Partnership Collaboration | 42,177 | 42,150 |
| Writer's Block Inc. (NEW) | 0 | 81,000 |
| Yerwood Center | 125,000 | 0 |

EFFECTIVE DATE: Upon passage

§§ 231-233 — ADJUSTMENTS IN FY 15 APPROPRIATIONS

The act modifies FY 15 General Fund appropriations enacted in the budget act (PA 14-47), as shown in Table 10. The adjustments result in a \$526,814 net increase in General Fund appropriations.

Table 10: Adjustments in FY 15 General Fund Appropriations

| <i>Agency</i> | <i>Purpose</i> | <i>Increase/(Reduction)</i> |
|---------------------|---|-----------------------------|
| <i>General Fund</i> | | |
| OPM | Property Tax Relief | (\$3,673,186) |
| | Reimbursement to Towns for Loss of Taxes on State Property | 2,000,000 |
| | Reimbursement to Towns for Private Property Tax-Exempt Property | 2,000,000 |
| DPH | School Based Health Clinics | 200,000 |

The act also transfers funds appropriated for FY 15 in the budget act as follows: \$500,000 for a tax study from DRS to the Office of Legislative Management and \$50,000 for drug collection lock boxes from the Department of Emergency Services and Public Protection to DCP.

§ 234 — PROPERTY TAX RELIEF GRANTS

The act requires OPM to distribute a \$1,126,814 appropriation for property tax relief to towns as additional grants in lieu of taxes for FY 15, as shown in Table 11.

Table 11: Property Tax Relief Grants

| Town | FY 15 Grant |
|---------------|-------------|
| Colebrook | \$15,531 |
| East Granby | 74,202 |
| Glastonbury | 8,157 |
| Goshen | 4,285 |
| Granby | 881 |
| Harwinton | 1,234 |
| Montville | 345,327 |
| Newington | 73,979 |
| Norwich | 3,211 |
| Plymouth | 577 |
| Ridgefield | 12,030 |
| Voluntown | 45,275 |
| Waterford | 60,232 |
| Windsor Locks | 481,893 |

§§ 235 & 236 — DCF ADOPTION SUBSIDIES

In certain circumstances, the act extends the period for which DCF may provide a periodic subsidy to a family that adopts a special needs child placed by the department. Previously, DCF could provide such a subsidy until the child turned age 18. Under the act, DCF may continue to provide a periodic subsidy for a special needs child between ages 18 and 21 if the:

1. adoption was finalized on or after October 1, 2013;
2. child was age 16 or older when the adoption was finalized; and
3. child is (a) enrolled full-time in an approved secondary education program or program leading to an equivalent credential, (b) enrolled in a full-time postsecondary or vocational institution, or (c) participating full-time in a program or activity approved by the commissioner and designed to promote or remove employment barriers.

The act allows the commissioner, at her discretion, to waive the full-time requirement based on compelling circumstances.

It also requires DCF to annually review periodic subsidies for special needs children ages 18 to 21, instead of biennially as required if the child is under age 18. It eliminates a requirement that the commissioner perform the review in accordance with a schedule she or her designee establishes.

Upon review, DCF must continue to provide the subsidy to a child age 18 to 21 if the child's adoptive parent, at the time of review, submits a sworn statement that the child meets the above education or employment requirements.

The act also makes other minor and technical changes.

EFFECTIVE DATE: Upon passage

§ 248 — AQUATIC INVASIVE SPECIES

The act establishes an aquatic invasive species management grant and prevention and education program for DEEP to administer.

Aquatic invasive species are non-native aquatic plants or animals that tend to grow at such a rate that they displace native species and disrupt the ecosystem. They include Eurasian milfoil, fanwort, zebra mussel, quagga mussel, Chinese mitten crab, New Zealand mud snail, Asian clam, and rusty crayfish.

Under the program, DEEP may:

1. provide grants to municipalities for aquatic invasive species management efforts,
2. educate boaters on ways to prevent the spread of aquatic invasive species, and
3. conduct a rapid response to an aquatic invasive species population identified in an inland water body after July 1, 2014.

The act authorizes the DEEP commissioner to adopt implementing regulations, which may include eligibility criteria and priorities for municipal grants.

Municipal Grants

Under the act, DEEP may make grants to a municipality for up to:

1. 75% of the cost of conducting an aquatic invasive species diagnostic feasibility study related to reducing an aquatic invasive species population in an inland water body or
2. 50% of the cost of conducting a restoration project in an inland water body by controlling and managing an aquatic invasive species population that exists there as of July 1, 2014.

Use of Funds

The act requires DEEP to use at least 30% of the funds available under the program for municipal grants and allows up to 10% of the available program funds to be used for program administration. The remaining funds must be used for the prevention and education program and rapid response efforts.

§ 250 — EDUCATION COST SHARING (ECS) PAYMENT SCHEDULE FOR WINCHESTER

The act accelerates ECS grant payments for FYs 15 and 16 for the town of Winchester. Generally, towns receive ECS grant payments as follows: 25% in October, 25% in January, and the remaining 50% in April. Under the act, Winchester will be paid, after certification by the education commissioner to the treasurer, in the following installments: 50% of the grant in October, 25% in January, and 25% in April.

§ 251 — MANUFACTURING APPRENTICESHIP TAX CREDITS

Existing law allows eligible corporations to earn tax credits for employing apprentices receiving training in manufacturing, plastics, plastics-related, or construction trades. Corporations may apply the credits against their corporation income taxes.

Beginning with income years commencing on or after January 1, 2015, the act allows S corporations, LLCs, limited liability partnerships, and limited partnerships (i.e., pass-through entities) to earn apprenticeship tax credits for manufacturing trades and sell, assign, or transfer them to other taxpayers, including corporations that may in turn claim the tax credits to reduce their corporation tax liability. By law, pass-through entities do not pay corporation income taxes; rather, (1) their owners, shareholders, and partners pay personal income taxes on their share of the income the business generates and (2) the entities pay the business entity tax.

The act allows pass-through entities to transfer the credits, in whole or in part, to one or more taxpayers. The credits may be transferred up to a total of three times.

EFFECTIVE DATE: July 1, 2015

§ 252 — RETIREMENT SALARY FOR JUDGES, FAMILY SUPPORT MAGISTRATES, AND COMPENSATION COMMISSIONERS

The act (1) reduces the retirement salary for certain judges, family support magistrates, and compensation commissioners based on when they took office and years of state service and (2) prohibits any judge from receiving more than one pension benefit as a result of his or her employment with the state. (Thus the act bars any judge, but not a family support magistrate or compensation commissioner, who previously held another state position and was vested in that pension plan from receiving both pensions.)

Under existing law, a judge, family support magistrate, or compensation commissioner who started serving in that office on or after January 1, 1981 and (1) attains age 70 while serving or (2) is retired because of disability, must receive an annual retirement salary that is two-thirds of the salary he or she was receiving when he or she retired. Under the act, this benefit remains unchanged for those who (1) took office between January 1, 1981 and July 1, 2014 or (2) took office on or after July 1, 2014, and have 10 or more years of state service credit, as defined by the State Employee Retirement Act, at the time of retirement.

Under the act, if the judge, family support magistrate, or compensation commissioner (1) starts serving on or after July 1, 2014 and (2) has less than 10

years of state service credit at the time of retirement, the annual retirement salary is two-thirds of the salary he or she was receiving at the time of retirement multiplied by a factor determined by dividing his or her years of service by 10. The act specifies that the maximum number of years of state service for this calculation is 10 years. In so doing, the act reduces such pension benefits by 10% for each year less than 10 years of service.

EFFECTIVE DATE: Upon passage

§ 253 — MUNICIPAL VOTE ON ALCOHOLIC LIQUOR PERMIT QUESTION

By law, upon petition of at least 10% of a municipality's electors, the selectmen must issue a warning that the municipality will hold a referendum to determine (1) whether to allow alcohol sales in the municipality or (2) what types of alcohol sales permits to allow (e.g., permits allowing only on-premises or off-premises alcohol consumption). Under prior law, the referendum could be held only at a regular municipal election. The act allows such a referendum to also be held at a regular state election. By law, unchanged by the act, the petition must be submitted to the town clerk at least 60 days before the election.

EFFECTIVE DATE: Upon passage

§ 254 — RETIRED POLICE AS SCHOOL SECURITY GUARDS

The act allows a municipality or board of education to hire or contract with two additional categories of retired police officers to provide armed school security services. It does so by expanding the definition of "retired police officer" to include individuals who are sworn:

1. federal law enforcement agents who (a) meet or exceed Connecticut's POST's certification standards and (b) retired or were separated in good standing from federal law enforcement service or
2. officers from an organized out-of-state police department who (a) were certified under standards that meet or exceed POST's certification standards and (b) retired or were separated in good standing from their department.

In both cases, the individuals must also be "qualified retired law enforcement officers" as defined in the federal Law Enforcement Officers Safety Act (LEOSA). Among other things, this means the officer must have either (1) served as a law enforcement officer for 10 or more years or (2) was separated from service due to a service-related disability.

By law, to be eligible to provide armed school security services, the retired officers must also complete

annual (1) public school security personnel training provided by POST and (2) firearms training that meets or exceeds POST or LEOSA standards, provided by a certified firearms instructor.

Under existing law, “retired police officers” for this purpose also include sworn members who retired or were separated in good standing from (1) the State Police or (2) an organized local police department and were POST certified.

§ 255 — SCHOOL CONSTRUCTION FOR TORRINGTON

The act waives certain school construction requirements for a school renovation and alteration project in Torrington. It:

1. waives the requirement that the local funding commitment for the local share of the project be in place before a school construction grant application is considered and
2. requires the education and construction services commissioners to give review and approval priority to the project, provided the town submits a completed grant application with funding authorization for the local share by November 30, 2014.

Under state school construction law, the state reimburses towns for a percentage of their eligible school construction costs based on a sliding scale. The scale, which is based on town wealth, ranges from 20% to 80% of the eligible costs for renovation and 10% to 70% for new construction.

EFFECTIVE DATE: Upon passage

§ 259 — COMMISSION ON MEDICOLEGAL INVESTIGATIONS (COMLI) AND THE OFFICE OF THE CHIEF MEDICAL EXAMINER (OCME)

The act repeals a provision that places the nine-member COMLI and OCME, which COMLI supervises and controls, within the UConn Health Center for administrative purposes only. Presumably, COMLI and OCME will assume their own administrative functions.

PA 14-73—HB 5227

Aging Committee

AN ACT CONCERNING LIVABLE COMMUNITIES AND ELDERLY NUTRITION

SUMMARY: By January 1, 2015, this act requires the Aging Commission, as part of its “Livable Communities” initiative, to recognize communities that have implemented initiatives allowing people to age in place and stay in the home setting they choose. The initiatives must include (1) affordable and accessible housing, (2) community and social services, (3) planning and zoning regulations, (4) walkability, and (5) transportation-related infrastructure. (PA 13-109 required the commission to establish a “Livable Communities” initiative to serve as a (1) forum for best practices and (2) clearinghouse for resources to help municipal and state leaders design livable communities that allow residents to age in place.)

The act also requires the Aging and Social Services departments to hold quarterly meetings with nutrition service stakeholders to:

1. develop recommendations to address complexities in the administration of nutrition services;
2. establish quality control benchmarks; and
3. help move toward greater quality, efficiency, and transparency in the elderly nutrition program (see BACKGROUND).

Stakeholders include the Aging Commission, area agencies on aging, access agencies, nutrition providers, representatives of food security programs and contractors, nutrition host site representatives, and consumers.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Elderly Nutrition Program

Under federal law, the Department of Social Services operates elderly nutrition projects that provide nutritionally sound meals to people age 60 and older and their spouses. Programs must provide one meal per day, five days per week. Meals are offered at congregate sites, known as “senior community cafés,” or delivered to the homes of those too frail to go to the congregate sites or cook for themselves. People with disabilities living in housing facilities that are congregate meal sites can also receive meals. The meals are free, although voluntary contributions are encouraged. Both federal and state funds pay for the program.

PA 14-95—HB 5229

Aging Committee

Appropriations Committee

AN ACT CONCERNING THE EXPANSION OF A SMALL HOUSE NURSING HOME PILOT PROGRAM

SUMMARY: This act allows the social services commissioner to expand, within available appropriations, the “small house nursing home” pilot program. The act eliminates the cap on the number of (1) homes, which prior law set at one, and (2) program beds, which prior law set at 280.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Small House Nursing Home

By law, a “small house nursing home” is an alternative nursing home facility that:

1. consists of one or more units designed and modeled as a private home,
2. houses no more than 14 people in each unit,
3. includes private rooms and bathrooms,
4. provides an increased role for support staff in the care of residents,
5. incorporates a philosophy of individualized care, and
6. is licensed as a nursing home (CGS § 17b-372a).

The facilities must comply with existing law’s certificate of need requirements and processes.

PA 14-105—SB 176

Aging Committee

Insurance and Real Estate Committee

AN ACT CONCERNING THE PURCHASE OF MEDICARE SUPPLEMENT POLICIES BY QUALIFIED MEDICARE BENEFICIARIES

SUMMARY: This act allows insurers and other entities to deliver or issue certain Medicare supplement policies to Qualified Medicare Beneficiaries (QMBs) to the extent federal law allows. But, federal law appears to prohibit them from doing so because:

1. federal law prohibits issuing these policies when a state provides benefits other than helping to pay Medicare Part B premiums to Medicaid-eligible people and

2. Connecticut's Medicare Savings Program (MSP), which covers QMBs, does provide benefits in addition to helping to pay Medicare Part B premiums.

The act applies to each insurer, fraternal benefit society, hospital or medical service corporation, and HMO that issues policies or certificates for Medicare supplement plans "A," "B," or "C," or any combination of them.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

QMBs

The state's Medicaid program pays certain Medicare costs under an umbrella MSP. MSP consists of the QMB, Specified Low-Income Medicare Beneficiary, and Qualifying Individual programs.

Under the QMB program, the state's Medicaid program pays the Medicare beneficiaries' costs of Part A and B deductibles and premiums and Part A coinsurance to reduce the likelihood that these individuals will require full Medicaid coverage. The federal government reimburses the state for half of its cost sharing expenditures. The state pays only when the beneficiary's medical provider accepts both Medicare and Medicaid.

Medicare Supplement Policies

Federal law standardized Medicare supplement policies into 10 benefit policies designated "A," "B," "C," "D," "F," "G," "K," "L," "M," and "N." (Policies "E," "H," "I," and "J" are no longer sold.) Policy A contains only the core benefits, while the other nine policies also provide at least one additional benefit. For example, policy B also includes Part A deductibles and policy C includes Part A and B deductibles, skilled nursing facility care coinsurance, and foreign travel emergency benefits.

PA 14-194—sSB 179

Aging Committee

Public Health Committee

Judiciary Committee

Appropriations Committee

AN ACT CONCERNING THE ALZHEIMER'S DISEASE AND DEMENTIA TASK FORCE'S RECOMMENDATIONS ON TRAINING

SUMMARY: This act establishes mandatory Alzheimer's and dementia-specific training for a wide range of personnel, such as emergency medical technicians (EMTs), probate judges, paid conservators,

and protective services employees.

It requires any Alzheimer's special care unit staff hired on or after October 1, 2014 to complete the currently required initial Alzheimer's and dementia-specific training within the first 120 days of employment. Prior law required completion of the training within six months of employment.

EFFECTIVE DATE: October 1, 2014, except for the provisions on Alzheimer's training for nursing home administrator license applicants (§§ 5 & 6), which take effect November 1, 2014.

§ 1 — NURSING HOME DEMENTIA PATIENTS

By law, nursing home administrators must ensure that all facility staff receive annual in-service training in an area specific to the patients' needs. The act specifically requires that they receive training in Alzheimer's disease and dementia symptoms and care upon employment and annually thereafter.

It requires the administrator to name an employee in each home to (1) review and make recommendations to him or her about residents with dementia and (2) monitor the implementation of approved recommendations. The recommendations must include (1) factors that affect person-centered care, (2) wellness indicators, and (3) programs to train staff to care for patients with dementia.

The act also requires the Department of Public Health (DPH) commissioner to adopt implementing regulations.

§ 2 — NURSING HOME AND HOSPICE STAFF

The act requires home health agencies, residential care homes, assisted living services agencies, and licensed hospice care organizations to provide to all staff providing direct care, upon employment and annually thereafter, training and education in Alzheimer's disease and dementia symptoms and care. It requires the DPH commissioner to adopt implementing regulations.

§ 3 — STAFF SERVING PEOPLE WITH DOWN SYNDROME

The act requires the developmental services commissioner's regulations to mandate that residential facilities serving people age 50 or older with Down syndrome have at least one employee trained in Alzheimer's disease and dementia symptoms and care.

§ 4 — ALZHEIMER'S UNIT STAFF

By law, all licensed and registered staff and nurses' aides who provide direct care to patients in Alzheimer's special care units or programs must receive Alzheimer's

and dementia-specific training, including at least eight hours of dementia-specific training annually. Unregistered and unlicensed staff, except nurses' aides, who provide services and care to residents must complete one hour of such training annually.

The act requires staff hired on or after October 1, 2014 to complete the initial training within the first 120 days of employment. Prior law required staff to complete this training within six months after being hired.

§§ 5 & 6 — NEW NURSING HOME ADMINISTRATOR LICENSE APPLICANTS

The act requires anyone applying for a new nursing home administrator's license by examination to have completed training in Alzheimer's disease and dementia symptoms and care, in addition to training and qualifications required by existing law.

It requires anyone applying for this license by endorsement to (1) have training or education in long-term care, including Alzheimer's and dementia symptoms and care, or (2) certify, in writing, that he or she will get such training not later than 120 days after being licensed. (License by endorsement means that Connecticut will issue a license to an out-of-state applicant to operate here if his or her credentials satisfy the state's licensing requirements.)

§ 7 — NURSING HOME ADMINISTRATORS' CONTINUING EDUCATION

The act requires nursing home administrators to complete training in Alzheimer's disease and dementia symptoms as part of the 40-hour continuing education training they must complete every two years under existing law. It adds courses offered or approved by the Alzheimer's Association to the qualifying continuing education courses.

§ 8 — NURSING HOME ADMINISTRATOR COURSE REQUIREMENTS

The act requires the DPH commissioner to include Alzheimer's disease and dementia in the course or degree requirements for licensure of nursing home administrators. Among the other existing requirements are management behavior, nursing home administration, psychosocial behavior, and gerontology.

§ 9 — REPRESENTATIVES OF NURSING HOME AND LONG-TERM REHABILITATION FACILITIES

The act requires the state long-term care ombudsman to provide training to representatives of residents in nursing homes and residential care facilities in areas such as Alzheimer's disease and dementia symptoms and care. By law, a "representative" is a regional ombudsman, a resident's advocate, or an employee of the Long-Term Care Ombudsman Office designated by the ombudsman.

§ 10 — PROBATE JUDGES, CONSERVATORS, AND FIDUCIARIES

The act requires the probate court administrator to develop a plan to train probate judges, paid conservators, and other fiduciaries in diseases and disorders affecting a person's judgment, including Alzheimer's disease and dementia.

§ 11 — PROTECTIVE SERVICES FOR THE ELDERLY PROGRAM

The act requires the Department of Social Services (DSS) commissioner to ensure that all employees assigned to DSS' protective services for the elderly program who interact directly with seniors receive annual training in Alzheimer's disease and dementia symptoms and care.

§ 12 — EMTs

The act requires that the 30 hours of refresher training required every three years for EMT recertification include training in Alzheimer's disease and dementia symptoms and care.

PA 14-150—sHB 5402
Appropriations Committee

AN ACT CONCERNING WAIVERS FOR MEDICAID-FINANCED, HOME AND COMMUNITY-BASED PROGRAMS FOR INDIVIDUALS WITH ACQUIRED BRAIN INJURY

SUMMARY: The Department of Social Services (DSS) administers a Medicaid-financed, home- and community-based program under a federally approved waiver for individuals with an acquired brain injury (ABI). This act authorizes the DSS commissioner to seek federal approval for a second waiver for this program.

The act requires the commissioner to ensure that (1) services provided under the first waiver program are not phased out and (2) no person receiving services under the first waiver program is institutionalized in order to meet its federal cost neutrality requirements. It also requires DSS to operate the first waiver program continuously, to the extent permissible under federal law.

Finally, the act establishes an advisory committee for the second waiver program. The committee must meet at least four times per year and report, by February 1, 2015, to the Appropriations, Human Services, and Public Health committees on the impact of the individual cost cap for the second waiver program and any other matters it deems appropriate. Under the act, “individual cost cap” is the percentage of the cost of institutional care for an individual that may be spent on any one waiver program participant.

EFFECTIVE DATE: July 1, 2014

ADVISORY COMMITTEE MEMBERSHIP

Under the act, the advisory committee members are the:

1. chairpersons of the Appropriations, Human Services, and Public Health committees, who must choose from among themselves one person to act as a co-chairperson of the advisory committee;
2. ranking members of the above committees, who must choose from among themselves one person to act as a co-chairperson of the advisory committee; and
3. DSS and Department of Mental Health and Addiction Services commissioners, who must choose from among themselves one person to act as a co-chairperson of the advisory committee.

The act allows any of the members to appoint designees, but requires designees of the legislative committee chairpersons and ranking members to include consumers and providers of services under the second waiver program.

BACKGROUND

Waivers

States use waivers to test new or existing ways to deliver and pay for health care services under Medicaid and the Children’s Health Insurance Program (CHIP). When the federal Centers for Medicare and Medicaid Services (CMS) approves a waiver, states can (1) set somewhat higher income limits, (2) limit the number of people who can qualify (“waiver slots”), and (3) make other adjustments to regular Medicaid rules as approved in the waiver. Waivers are subject to legislative approval in Connecticut. They must also be approved by CMS and renewed periodically. They include cost caps as agreed upon by DSS and CMS. DSS currently has 10 approved waivers.

ABI Waiver

Since 1999, DSS has offered home- and community-based services to adults under age 65 with an ABI who, without the services, would have to be institutionalized. The program offers many services, some of which are not medical in nature, such as supported employment, vehicle modifications, and help with chores. DSS runs this program under a federal Medicaid § 1915c waiver, since the regular Medicaid program does not authorize coverage for many of the services.

PA 14-7—sSB 283

Banks Committee

**AN ACT CONCERNING THE BANKING LAWS,
THE UNIFORM COMMERCIAL CODE, THE
ELECTRONIC FUND TRANSFER ACT AND
MORTGAGORS IN GOOD STANDING**

SUMMARY: This act makes a number of unrelated changes. Among other things, it:

1. expands the licensure and bond requirements for businesses that (a) make residential mortgage loans or act as mortgage lenders, mortgage correspondent lenders, or mortgage brokers and (b) engage the services of mortgage loan originators to act on their behalf;
2. creates a bond requirement for certain nonprofit organizations that choose to sponsor a mortgage loan originator;
3. limits the recovery of judgments against a debt negotiator's bond by prospective mortgagors of certain types of mortgages;
4. expands licensure requirements for debt negotiators who are also mortgage loan originators;
5. allows service of notice and process to begin a legal proceeding against certain individuals to be made by certified mail, return receipt requested;
6. modifies the process by which a debtor's funds held by a financial institution can be obtained to satisfy a judgment, including expanding the circumstances when a bank must leave the lesser of \$1,000 or the balance in a person's account;
7. excludes from the laws governing nonprime home loans, single family mortgages insured by the federal Department of Housing and Urban Development (HUD) under federal law and regulations;
8. expands the types of banks that may offer savings promotion raffles; and
9. requires a mortgagee to provide a certificate of good standing to a mortgagor who has completed the foreclosure mediation program, if specified conditions are met.

The act also makes technical changes, including changing various references to federal regulations to reflect the transfer of authority from the Federal Reserve System to the Consumer Financial Protection Bureau. It also corrects improper references (§§ 2, 5-8, & 13).

EFFECTIVE DATE: Upon passage, except for (1) the provision on certificates of good standing, which is effective July 1, 2014; (2) provisions on service of process in certain cases, funds exempt from execution,

and nonprime loans, which are effective October 1, 2014; and (3) a conforming change regarding funds exempt from execution, which is effective July 1, 2015.

§§ 1 & 11-12 — MORTGAGE LOAN ORIGINATORS

§ 1 — *Branch Offices*

The act expands the licensure and bond requirements for certain businesses that make residential mortgage loans or act as mortgage lenders, mortgage correspondent lenders, or mortgage brokers (i.e., licensees).

The law requires a licensee to obtain a license for its main office and each branch office. The act classifies the location of a mortgage loan originator who works with the licensee as a branch office. In so doing, it requires a licensee to (1) obtain a license, (2) file an addendum to the required bond, and (3) have a branch manager for each location where a licensed mortgage loan originator acts on its behalf. The branch manager at the mortgage loan originator's location must meet the minimum requirements for a branch manager under the law, which include (1) at least three years' experience in the mortgage business within the five years preceding the license application and (2) prelicensing education.

Under law, a "mortgage loan originator" is an individual who, for compensation, (1) takes a residential mortgage loan application or (2) offers or negotiates terms of a residential mortgage loan.

§§ 11 & 12 — *Bond Requirement for a Bona Fide Nonprofit Organization Sponsoring a Mortgage Loan Originator*

The act creates a bond requirement for certain "bona fide nonprofit organizations" that (1) are exempt from mortgage broker licensing and (2) choose to sponsor a mortgage loan originator (defined above).

By law, a "bona fide nonprofit organization" is an organization that files a form with the banking commissioner certifying it has tax-exempt status, promotes affordable housing, and serves public or charitable purposes. A bona fide nonprofit organization is exempt from licensing as a mortgage broker if it acts as a mortgage broker for residential loans made by a corporation or its affiliate to (1) promote home ownership in urban areas or (2) benefit its employees or agents. By law, a bona fide nonprofit organization may sponsor a mortgage loan originator by registering as an exempt registrant on the Nationwide Mortgage Licensing System and Registry (i.e., the system) which is used for licensing and registering mortgage lenders, mortgage correspondent lenders, mortgage brokers, mortgage loan originators, and loan processors or underwriters.

Under prior law, a bona fide nonprofit organization that was an exempt registrant was not required to file a surety bond with the commissioner. The act requires the organization to obtain a bond for an amount based on its aggregate residential mortgage loan amount during the 12-month period ending July 31 of the current year, as follows:

| <i>Aggregate Residential Mortgage Loan Amount</i> | <i>Required Bond Amount</i> |
|---|-----------------------------|
| Up to \$30 million | \$50,000 |
| \$30 million up to \$50 million | \$100,000 |
| \$50 million or more | \$150,000 |

§§ 3-4 & 9-10 — DEBT NEGOTIATORS

§§ 3 & 4 — *Judgment Recovery from Bond Proceeds*

The act limits the recovery of judgments against a debt negotiator's bond by certain prospective mortgagors (borrowers).

By law, debt negotiators must file a surety bond with the banking commissioner. A mortgagor or prospective mortgagor may recover from the bond, a judgment that the debt negotiator or the sponsored mortgage loan originator failed to satisfy relating to the negotiation of, or offer to negotiate, a nonprime home loan.

The act excludes from nonprime home loans, single family mortgages insured or guaranteed by HUD under federal law and regulations (78 Federal Register 75237). By doing so, it prevents a prospective mortgagor of such a loan from proceeding against the principal or surety of the bond when the negotiator fails to satisfy a judgment that arises from the negotiation of, or offer to negotiate, such a mortgage. A mortgagor of such a loan may proceed against the bond under similar provisions in existing law, but those provisions do not apply to prospective mortgagors.

§§ 9 & 10 — *Licensure Requirement*

The act expands the licensure requirements for certain debt negotiators by allowing the commissioner to suspend, revoke, or refuse to issue or renew the debt negotiator license of a debt negotiator who violates the mortgage loan originator requirements.

By law, unless otherwise exempt, a debt negotiator must be licensed as a mortgage loan originator if he or she negotiates a residential mortgage loan on behalf of a mortgagor for compensation or gain. Any such debt negotiator must comply with all requirements imposed on a mortgage loan originator, such as licensure, bond, and record retention requirements.

§§ 14-16 — SERVICE OF PROCESS IN CERTAIN CASES INVOLVING THE BANKING COMMISSIONER

The act adds a method of serving process on the banking commissioner when the law requires him to receive the process on behalf of certain people and entities. The act allows serving the process by certified mail, return receipt requested. The law already authorizes service by (1) registered mail, return receipt requested or (2) express delivery carrier with a dated delivery receipt.

This applies when the law requires one of the following people to appoint the banking commissioner as his or her agent for service of process: applicants for registration with the commissioner under the uniform securities act (such as broker-dealers and investment advisors), investment advisors who are exempt from registration, and certain security issuers.

In certain cases when the commissioner receives process on behalf of another person or entity, the law requires the person serving the process to also send it to the person's or entity's address on file with the commissioner. The act allows this service by certified mail, return receipt requested. The law already authorizes service by (1) registered mail, return receipt requested or (2) express delivery carrier with a dated delivery receipt. This applies in actions against:

1. the people and entities described above who are required to consent to service, when they do not do so and are not subject to personal jurisdiction in Connecticut's courts and
2. sellers proposing business opportunities (the sale and lease of products, equipment, supplies, or services that enable a person to start his or her own business) in Connecticut.

§§ 17 & 18 — FUNDS EXEMPT FROM EXECUTION IN DEBTOR'S ACCOUNT

Amount Left in Account and Readily Identifiable Deposits

By law, a creditor may obtain a court-ordered judgment against someone who owes the creditor money (debtor). The creditor may have an execution issued by the court served on any bank where the debtor has an account. Certain funds are exempt from execution if the debtor claims the exemption.

Prior law required the bank to leave in the account the lesser of \$1,000 or the account balance if, in the 30 days before the execution was served on the bank, an electronic direct deposit was made to the account that was readily identifiable as one of the following: (1) federal veterans' benefits, (2) Social Security benefits, or (3) child support payments the state collects and

electronically deposits into a parent's bank account. The act expands application of this rule in two ways. It:

1. applies this rule when an account receives electronic direct deposits that are readily identifiable as (a) exempt benefits paid by the federal Railroad Retirement Board or Office of Personnel Management (which includes federal civil service retirement benefits) or (b) unemployment benefits and
2. lengthens the look-back period for all of these readily identifiable deposits, from 30 to 60 days, or a longer period, if required by federal law for a federal benefit.

The law requires the debtor to have access to funds left in the account. The act specifies that this must be full and customary access to the funds.

PA 14-9 also applies these rules to electronic direct deposits of readily identifiable wages.

Repeat Service of Executions on Banks

The act prohibits a serving officer from subsequently serving the same execution (or a copy of it) on the same bank when an electronic direct deposit from one of the readily identifiable sources described above was made to the debtor's account during the look-back period. Otherwise, the act allows subsequent service of the execution as long as the execution has not expired or become unenforceable.

Notice

When funds are removed from an account, the law requires the bank to mail a copy of the execution and exemption claim form to the debtor. The act additionally requires mailing notice to the debtor as required by federal regulation for certain federal benefits. Federal regulations require a bank to send a readily understandable notice with certain information when the account contains a federal benefit payment. The notice must, among other things, identify the federal benefits involved and explain garnishment, the bank's obligations under federal law, and the state law's requirements to freeze funds (31 CFR § 212.7).

§ 19 — NONPRIME LOANS

The act excludes from the laws governing nonprime home loans, single family mortgages insured by HUD under federal law and regulations (see 12 USC § 1701 et seq. and 78 Federal Register 75237, which adds new regulations on qualified mortgages). Under the federal regulations, these mortgages must meet certain requirements regarding maximum points, fees, and interest rates that relate to the borrower's ability to repay the loan.

The law governing nonprime home loans imposes various requirements on making these loans, and restricts allowable provisions in such loans. In practice, a nonprime home loan is one generally made to a relatively risky borrower and that thus has a higher interest rate and stricter repayment terms.

§ 20 — SAVINGS PROMOTION RAFFLES

The act expands the types of banks that may offer savings promotion raffles under specified conditions.

By law, a "savings promotion raffle" is a raffle in which an account holder who is at least age 18 deposits a minimum specified amount of money in a savings account or savings program for a chance to win designated prizes. Each entry in the raffle must have an equal chance of winning.

The act allows all bank and trust companies, savings banks, or savings and loan associations chartered or organized under Connecticut law to offer savings promotion raffles. Prior law limited these raffles to Connecticut credit unions and community banks the commissioner deemed to be financially secure.

The act also expands the requirements for institutions seeking to offer savings promotion raffles. By law such institutions are required to (1) fully disclose the savings promotion raffle terms and conditions and (2) maintain records sufficient to facilitate a related audit. The act also requires the institutions to (1) comply with applicable consumer protection laws, (2) not jeopardize their safety and soundness, and (3) submit written notice to the commissioner 30 days before conducting the raffle.

§ 21 — MEDIATION PROGRAM CERTIFICATE OF GOOD STANDING

The act requires mortgagees (the owner or servicer of a mortgage debt) to provide a "certificate of good standing" to a mortgagor (homeowner) who has (1) requested such certificate, (2) successfully completed the state's foreclosure mediation program, and (3) remained current on the mortgage payment for three years after completing the program.

The act defines a "certificate of good standing" as a letter stating that the mortgagor has made each mortgage payment in a timely fashion, as determined by the mortgagee.

The state's foreclosure mediation program determines whether parties can reach an agreement that will avoid foreclosure. The program uses Judicial Branch foreclosure mediators to conduct mediation sessions in a statutorily prescribed timeframe.

BACKGROUND

Related Acts

PA 14-9 expands the types of deposits that are automatically exempt up to \$1,000 from bank executions against a judgment debtor's account to include electronic direct deposits readily identifiable as wages.

PA 14-89, among other things, (1) limits the exemptions from mortgage lender, mortgage correspondent lender, mortgage broker, and debt negotiator licensure that apply to certain subsidiaries of banks and credit unions; (2) narrows the scope of the exemption from mortgage loan originator licensure applicable to certain attorneys; and (3) extends the foreclosure mediation program, by two years, until July 1, 2016.

PA 14-84—sHB 5514

Banks Committee

Judiciary Committee

AN ACT CONCERNING AN OPTIONAL METHOD OF FORECLOSURE

SUMMARY: By law, in a foreclosure proceeding involving real property, the court may issue a judgment of (1) foreclosure by sale, which usually involves auctioning the property, or (2) strict foreclosure, which transfers title to the lender. This act adds another option for certain residential properties, called "foreclosure by market sale," which is a court-approved sale on the open market. The mortgagee (lender) must request and the mortgagor (borrower) must consent to such a sale. The act limits this option to the first mortgage on a one-to-four family residential property that is the mortgagor's residence.

The act establishes procedures for foreclosure by market sale, including requirements for the foreclosure notice, property appraisal, listing agreement, and purchase and sale contract. The act allows a mortgagee to proceed with other foreclosure options if certain conditions are not met.

The act also establishes court procedures for foreclosure by market sale, including a process that allows subordinate lienholders to preserve their interests in the property. It requires the court to appoint someone to execute the conveyance of the sold property and exempts such a transfer from the real estate conveyance tax.

The act specifies that it should not be construed as requiring either the mortgagor or the mortgagee to (1) proceed with discussions after the foreclosure by market sale notice has been sent, (2) reach an agreement

regarding a listing agent, or (3) approve any purchase offers received.

Lastly, the act bars a mortgagor who consents to foreclosure by market sale from participating in the state's foreclosure mediation program, but allows him or her to petition the court to participate under certain circumstances.

EFFECTIVE DATE: October 1, 2014 (PA 14-217, § 207, changes the effective date of this act to January 1, 2015.)

§ 3 — FORECLOSURE NOTICE AND MORTGAGEE AFFIDAVIT

Foreclosure Notice

By law, before beginning a mortgage foreclosure, a mortgagee must send notice by registered or certified mail with postage prepaid to the mortgagor at the address of the residential property (i.e., owner-occupied one-to-four family dwelling) secured by the mortgage.

Under the act, beginning October 1, 2014 (PA 14-217, § 249, changes this date to January 1, 2015), such a notice must inform the mortgagor of the:

1. mortgage delinquency or default;
2. option to contact the mortgagee to discuss selling the property through foreclosure by market sale;
3. mortgagee's contact information (mailing address, telephone and fax numbers, and email address); and
4. opportunities to contact the mortgagee and elect, in writing, the market sale option. (The notice must set a deadline at least 60 days after the notice to contact the mortgagee.)

The notice must also inform the mortgagor that:

1. he or she should contact a licensed real estate agent to discuss the feasibility of listing the property for sale through the foreclosure by market sale process;
2. before he or she can further discuss a listing agreement with the mortgagee, he or she must allow the property to be appraised to verify eligibility for the foreclosure by market sale option;
3. the appraisal will require both an interior and exterior property inspection;
4. the mortgagor and mortgagee must agree to the terms and conditions of (a) the listing agreement, including the duration and listing price, and (b) any purchase offer, including the purchase price and any contingencies; and
5. if an acceptable offer is received, the mortgagor will sign an agreement to sell the property through a foreclosure by market sale.

Additionally, the notice must inform the mortgagor that he or she will not be eligible for the state's foreclosure mediation program in any foreclosure action that begins after giving consent to foreclosure by market sale. (The act does not require the notice to include disclosure of the exception that allows some mortgagors to participate in the mediation program.)

The mortgagee may combine this notice with any other notice required under the Connecticut Housing Authority Act or federal law.

Mortgagee Affidavit

Under the act, the mortgagee may continue the mortgage foreclosure without the restrictions or further requirements of the foreclosure by market sale option if it files an affidavit with the court indicating that the notice described above was provided and either the mortgagor failed to elect foreclosure by market sale by the required date or discussions were initiated but:

1. the mortgagee and mortgagor were unable to reach a mutually acceptable agreement to proceed;
2. the mortgage does not appear to be eligible for foreclosure by market sale, based on the appraisal of the property (the act does not specify eligibility criteria);
3. the mortgagor did not grant reasonable interior access for the appraisal;
4. the mortgagee and mortgagor (a) were unable to reach a mutually acceptable listing agreement or (b) executed a listing agreement but received no purchase offers;
5. an offer or offers were received, but were unacceptable to either the mortgagee, mortgagor, or both; or
6. other circumstances exist that would (a) allow the mortgagee or mortgagor to decide not to proceed or (b) otherwise make the mortgage ineligible for foreclosure by market sale.

The mortgagee may combine this affidavit with any other affidavit required under the Connecticut Housing Authority Act.

§§ 4-6 — PROPERTY APPRAISAL AND LISTING AGREEMENT

Appraisal

Under the act, if the mortgagee and mortgagor agree to pursue foreclosure by market sale, the (1) mortgagee must have a licensed appraiser conduct a written appraisal of the property's fair market value and (2) mortgagor must, promptly upon request, allow the appraiser reasonable access to the property's interior and exterior only to gather facts necessary for the appraisal.

The act requires the mortgagee to provide a copy of the appraisal to the mortgagor as soon as practicable after receiving it.

Listing Agreement

If the appraisal indicates that the mortgage would likely be eligible for foreclosure by market sale, the act allows the mortgagee and mortgagor to agree to list the property for sale with a licensed real estate broker or sales person chosen by the mortgagor using a listing agreement. (The act does not specify how the mortgage's eligibility for such a foreclosure would be determined.) The act prohibits the mortgagee from conditioning approval of the listing agreement on the mortgagor's use of a specific listing agent.

The listing agreement the mortgagor executes must (1) be acceptable to both mortgagee and mortgagor and (2) require the listing agent to report any offer to both the mortgagor and mortgagee as soon as practicable. The mortgagee must give the listing agent a name, a mailing address, telephone and fax numbers, and an email address to report purchase offers.

Under the act, once the mortgagor executes the listing agreement, the mortgagee (1) is prohibited from requiring the use of an auction, other alternative method of sale, or a specific listing agent as a condition of approving an offer and (2) must explain in writing to a mortgagor its decision that an offer is unacceptable, unless the offer is also unacceptable to the mortgagor. The act does not limit the mortgagee's discretion in its reason or reasons for such a decision.

§§ 6 & 7 — CONTRACT, FORECLOSURE COMPLAINT, AND MOTION FOR JUDGMENT

Purchase and Sale Contract

Under the act, if the mortgagor executes a mutually agreeable listing agreement and receives a mutually agreeable purchase offer, it must execute a sale contract. The contract must (1) include the agreed-upon price, terms, and conditions; (2) be contingent on the completion of the foreclosure by market sale; and (3) be mutually agreeable to the mortgagor and mortgagee.

Within five days after executing the contract, the mortgagor must give the mortgagee (1) a copy of the contract and (2) written consent for the mortgagee to file a motion for judgment of foreclosure by market sale. The mortgagee may determine an acceptable form of the written consent.

Complaint and Motion for Judgment

Under the act, to consummate the sale the mortgagee, unless otherwise prohibited by law, must file a foreclosure complaint within the later of the

following time periods:

1. 30 days after receiving the contract and the mortgagor's written consent or
2. 30 days after the satisfaction or expiration of any contract contingencies that must be satisfied or have expired before the foreclosure action may begin.

The filed or revised complaint must contain a copy of the contract and appraisal.

Ten days after the filed complaint return date, the mortgagee may file a motion for judgment of foreclosure by market sale. Under the act, after a hearing and notice, and with the mortgagor's consent, the court may (1) render a judgment of foreclosure by market sale approving the purchase and sale contract and (2) appoint a person to make the sale. The judgment is final for appeal purposes. The issues at the hearing are limited to finding the property's fair market value and determining:

1. whether any priority lien holders exist;
2. the sale fees and expenses, including any real estate broker commissions;
3. who to appoint to make the sale;
4. the purchaser's reasonable costs and expenses incurred in connection with the contract;
5. the amount of the mortgagee's debt; and
6. whether the mortgagee's debt plus any priority liens exceed the property's fair market value.

Under the act, after the hearing, the court may render a supplemental judgment stating who is entitled to the sale proceeds and how much each will receive.

§ 8 — SUBORDINATE LIENHOLDERS

Under the act, within 30 days after the court renders a judgment of foreclosure by market sale, it must schedule "right-of-first-refusal law days," a specific day when each other person with a lien against the property (a subordinate lien holder) can pay the agreed-upon price in the purchase and sale contract to the person appointed to make the sale to preserve their equity interest in the property. The court must schedule the days in inverse order of priority.

A subordinate lienholder's interest terminates after its designated right-of-first-refusal law date passes if, on that date, the lienholder took no action. If a subordinate lienholder purchases the property on the designated law day, the purchaser specified in the market sale contract must be reimbursed from the sale proceeds for any costs and expenses associated with the contract as determined by the court.

§§ 9-11 — SALE AND CONVEYANCE OF TITLE

Under the act, the person appointed to make the sale must (1) execute the conveyance of the property

and (2) bring the proceeds to court. The conveyance is valid against all parties and their privies (people having legal interest in the property).

The court, either at the time of or after the sale, may (1) order possession of the property to be given to the purchaser and (2) issue an execution of ejectment after the time for appeal of the foreclosure judgment expires.

In a foreclosure by sale, if the property sells for less than the appraised value, the court cannot enter a deficiency judgment (which requires the debtor to pay the remaining debt) until one-half of the difference between the appraised value and the selling price is credited against the debt. This same condition does not apply under the act to foreclosures by market sale.

§§ 7 & 12 — FORECLOSURE MEDIATION, FORECLOSURE BY SALE, AND STRICT FORECLOSURE

Under the act, a mortgagor who consents to a foreclosure by market sale is ineligible for the foreclosure mediation program unless the court denies the mortgagee's motion for judgment of foreclosure by market sale or it becomes likely that a sale will not be completed according to the judgment. In such circumstances, the (1) mortgagee has the right to request the other foreclosure options available under law, "foreclosure by sale" or "strict foreclosure" (see BACKGROUND) and (2) mortgagor may file a petition with the court to be included in the mediation program, if he or she did not substantially contribute to the denial or circumstances that resulted in the incomplete sale. (The mortgagor must otherwise be eligible for the mediation program available under existing law.)

The court must consider any testimony or affidavits the parties submit in support of, or in opposition to, the mortgagor's petition for inclusion in the foreclosure mediation program. In order to grant the petition, the court must find that it is (1) not primarily an attempt to delay the foreclosure and (2) highly likely the parties will reach an agreement through mediation.

BACKGROUND

Foreclosure by Sale

With a judgment of sale, the court (1) establishes the time and manner of the sale (usually a public auction), (2) appoints a committee to sell the property, and (3) appoints three appraisers to determine its value. The borrower may stop the foreclosure proceedings at any time before the sale by paying the balance due on the mortgage. If no such payment is made, the committee must go forward with the sale. The lender may sue to obtain a deficiency judgment (an order for the borrower to repay any remaining mortgage balance).

Strict Foreclosure

With strict foreclosure the lender obtains a court order that the borrower is in default of the mortgage and title transfers to the lender immediately. However, the court sets an amount of time in which the borrower may redeem the property, but if he or she fails to do so, the lender gets unequivocal ownership and the borrower no longer has any claim to the property.

Foreclosure Mediation Program

The state's foreclosure mediation program determines whether parties can reach an agreement that will avoid foreclosure. Judicial Branch foreclosure mediators conduct mediation sessions in a statutorily prescribed timeframe. PA 14-89 extends the program, which will sunset on July 1, 2016.

PA 14-89—sHB 5353*Banks Committee**Appropriations Committee*

**AN ACT CONCERNING MORTGAGE
SERVICERS, CONNECTICUT FINANCIAL
INSTITUTIONS, CONSUMER CREDIT
LICENSES, THE FORECLOSURE MEDIATION
PROGRAM, MINOR REVISIONS TO THE
BANKING STATUTES, THE MODERNIZATION
OF CORPORATION LAW AND REVERSE
MORTGAGE TRANSACTIONS**

SUMMARY: This act makes numerous unrelated changes regarding financial services companies. Among other things, it:

1. renames mortgage servicing companies “mortgage servicers,” modifies related licensure requirements and standards of conduct, and gives the banking commissioner authority to conduct investigations and examinations and take enforcement actions;
2. modifies the exemptions from certain licensure and bonding requirements that apply to certain subsidiaries of banks and credit unions;
3. establishes procedural requirements for a Connecticut bank that proposes to close a loan production office;
4. prohibits the transfer and assignment of a business and industry development corporation's license;
5. allows certain New Jersey and Pennsylvania banks to join a group of banks that owns the Connecticut-chartered “bankers’ bank”;

6. expands the definition of an “automatic teller machine” to include those equipped with a telephone or televideo device that allows contact with bank employees;
7. (a) extends the banking commissioner's authority to use the Nationwide Mortgage Licensing System and Registry, (b) authorizes the system to receive and maintain licensing and registration records, and (c) establishes filing, licensing, fees, reports, and other system procedures and requirements;
8. narrows the scope of the exemption from mortgage loan originator licensure that applies to certain attorneys;
9. increases the prelicensing and continuing education and testing requirements for mortgage lenders, mortgage correspondent lenders, and mortgage brokers;
10. extends the state's foreclosure mediation program by two years, until June 30, 2016, and makes other program-related changes;
11. limits when the banking commissioner can automatically suspend a consumer collection agency's license due to a dishonored check for payment of licensing fees;
12. makes a minor change in the law allowing specified business entities to change their entity type;
13. creates a 17-member Commission on Connecticut's Leadership in Corporation and Business Law within the Legislative Branch; and
14. establishes a six-member task force to study the reverse mortgage industry.

The act also corrects improper references and makes technical and other conforming changes (§§ 41-45 & 47-49).

EFFECTIVE DATE: October 1, 2014, unless otherwise stated below. The sections that correct improper references and make certain technical and other conforming changes (§§ 41-45 and 47-49) are effective upon passage.

§§ 1-20, 23, & 24 — MORTGAGE SERVICERS

§ 1 — *Definitions*

Prior law defined a “mortgage servicing company” as any person who services a first mortgage loan. The act changes the term “mortgage servicing company” to “mortgage servicer” and expands the scope of services to include (1) residential mortgage loans beyond the first loan, (2) home equity conversion mortgages, and (3) reverse mortgages.

The act defines a “branch office” as a location other than the main office at which a licensee or any person on the licensee’s behalf acts as a mortgage servicer.

Under prior law, a “mortgagor” was any person who was obligated to repay a first mortgage loan. The act expands this beyond the first loan, but limits it to residential mortgage loans.

The act defines “mortgagee” as the lender of a residential mortgage or the last person of record to whom the residential mortgage has been assigned. A “residential mortgage loan” is any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a (1) single- or multi-family (up to four units) residence located in Connecticut or (2) real property located in Connecticut and slated as the future site for one or more residential homes.

Under the act, “system” means the Nationwide Mortgage Licensing System and Registry, NMLS, NMLSR, or any other name or acronym that may be assigned to the multistate system developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, owned and operated by the State Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and registration of persons in the mortgage and other financial services industries.

§ 4 — Licensure Requirement

The act generally requires any person acting as a mortgage servicer to obtain a license from the banking commissioner for its main office and each branch office from which it conducts business, effective January 1, 2015.

The act exempts the following from the mortgage servicer licensing requirements:

1. federally insured banks, out-of-state banks, Connecticut credit unions, federal credit unions, or out-of-state credit unions;
2. wholly owned subsidiaries of such banks or credit unions;
3. operating subsidiaries where each owner of the operating subsidiary is wholly owned by the same such bank or credit union; and
4. persons licensed as mortgage lenders in Connecticut while acting as a mortgage servicer from a location licensed as a main office or branch office, if the person meets the bond and errors and omissions coverage requirements. (This exemption does not apply when the mortgage lender’s state license is suspended.)

The act removes provisions related to the banking commissioner’s powers to take action against a mortgage servicing company for failing to provide

certain services, including paying the mortgagor’s (borrower’s) taxes and insurance premiums from the designated account. The act provides new enforcement authority.

§ 5 — Application Requirements

Prerequisites to Licensure. The act requires the commissioner to issue a mortgage servicer license if he finds that the:

1. applicant has identified a qualified individual within its main office and each branch office who (a) has supervisory authority over the mortgage servicer activities at his or her office location and (b) has at least three years’ “experience in the mortgage servicing business” (see below) within the five years immediately preceding the application date;
2. applicant, the applicant’s control persons, the qualified individual, and any branch manager with supervisory authority at the office for which the license is sought have not been convicted of, or pled guilty or nolo contendere in a domestic, foreign, or military court at any time before the application date to a felony (a) during the seven-year period before the date of the application or (b) involving an act of fraud or dishonesty, a breach of trust, or money laundering;
3. applicant demonstrates that the financial responsibility, character, and general fitness of the applicant, the control persons of the applicant (e.g., director, general partner, or executive officer), the qualified individual, and any branch manager having supervisory authority over the office for which the license is sought warrant a determination that the applicant will operate honestly, fairly, and efficiently, and consistent with the act’s and laws’ purposes;
4. applicant has met the act’s surety bond, fidelity bond, and errors and omissions coverage requirement;
5. applicant has not made a material misstatement in the application; and
6. applicant has met other similar requirements determined by the commissioner.

The act prohibits the commissioner from issuing a license if he fails to make these findings and requires him to notify the applicant of a denial and the reasons for it.

The act does not count pardons and expungements under Connecticut law as convictions for the purpose of a mortgage servicer license application. It specifies that the level and status of such events must be determined by the law of the jurisdiction where the case was

prosecuted. If that jurisdiction does not use the terms felony, pardon, or expungement, then legally equivalent terms apply.

Under the act, “experience in the mortgage servicing business” means paid experience in the (1) servicing of mortgage loans; (2) accounting, receipt, and processing of payments on behalf of mortgagees or creditors; or (3) supervision of such activities, or any other relevant experience as determined by the commissioner.

Application. An applicant for a mortgage servicer license or license renewal must:

1. file with the system an application form prescribed by the commissioner and a \$1,000 licensing fee;
2. furnish the system information on the identity of the applicant, any control person of the applicant, the qualified individual, and any branch manager, including personal history and experience in a form the system prescribes; and
3. furnish information related to any administrative, civil, or criminal findings by any government jurisdiction.

The applicant must promptly notify the commissioner, through the system, of any change in the information submitted in connection with its most recent application, within 15 days of becoming aware of the changes.

The act specifies that evidence of the qualified individual’s and any branch manager’s experience must include a statement specifying the (1) person’s employment duties and responsibilities; (2) term of employment, including month and year; and (3) name, address, and telephone number of a supervisor, employer or, if self-employed, a business reference. It must also include, if required by the commissioner:

1. copies of W-2 forms, 1099 tax forms or, if self-employed, 1120 corporate tax returns and
2. signed letters from the employer on the employer’s letterhead verifying the person’s duties and responsibilities and employment term.

If the person is unable to provide such letters, it must also include other proof satisfactory to the commissioner that the person meets the experience requirement.

The act allows the commissioner to (1) conduct a criminal history record check of the applicant, any control person of the applicant, the qualified individual, and any branch manager with supervisory authority at the office for which the license is sought and (2) require the applicant to submit fingerprints of such persons as part of the application.

License Renewal. Under the act, an applicant seeking to renew a mortgage servicer license must (1) continue to meet the minimum standards for licensure

and (2) pay the required renewal fees. The license expires if the minimum standards for renewal are not met.

Under the act, the commissioner may adopt procedures for reinstating expired licenses consistent with the standards the system establishes.

The commissioner may automatically suspend a mortgage servicer license if payment of the required fees is returned or not accepted. The commissioner must (1) give the licensee notice of the automatic suspension and (2) require the licensee to take or refrain from taking specified action pending proceedings for revocation or refusal to renew and an opportunity for a hearing.

The act allows the commissioner to institute a revocation or suspension proceeding or issue an order suspending or revoking the license within one year after the expiration date, if the mortgage servicer’s license expires due to the licensee’s failure to renew.

Withdrawn or Abandoned Application. An applicant who wishes to withdraw a license application must submit a notice of that intent to the commissioner. The withdrawal becomes effective when the commissioner receives the notice. The act allows the commissioner to deny a subsequent license application for up to one year after the effective date of a withdrawal.

The act allows the commissioner to consider an application abandoned if the applicant fails to respond to any request for information required by law. The commissioner must notify the applicant, through the system, that if the information is not submitted within 60 days from the request date, the application will be considered abandoned. Application fees for abandoned applications cannot be refunded. However, the act allows the applicant to submit a new application with another fee.

Annual Application Filing. The act requires a mortgage servicer to file with the commissioner, at least annually, a (1) current schedule of the ranges of costs and fees it charges mortgagors for its servicing-related activities and (2) report, in a form and format acceptable to the commissioner, detailing the mortgage servicer’s activities in the state, including:

1. the number of (a) residential mortgage loans the mortgage servicer is servicing and (b) serviced loans in default, along with a breakdown of 30-day, 60-day, and 90-day delinquencies;
2. the type and characteristics of the loans; and
3. information on (a) loss mitigation activities, including details on workout arrangements undertaken, and (b) foreclosures commenced in the state.

§ 6 — Filing Requirements

The act specifies various filing requirements concerning a mortgage servicer license, including (1) the process for surrendering a license, (2) name requirements, and (3) the timeframe within which the commissioner must be notified of certain events.

Transferability and Surrender of License. The act prohibits the transfer or assignment of a mortgage servicer license. A licensee must file a request, through the system, to surrender the license for each office at which the licensee intends to stop doing business, within 15 days after it stops acting as a mortgage servicer. This requirement does not apply if the license was suspended. The surrender takes effect when the commissioner accepts the request.

Name and Address. A licensee must use its legal name, unless the commissioner disapproves, or a fictitious name approved by the commissioner.

A mortgage servicer licensee may change its name or the address of any office specified on the most recent filing with the system if the (1) licensee files the change, through the system, at least 30 calendar days before it occurs and (2) commissioner does not disapprove the change in writing or request further information within the 30-day period. In the case of a main office or branch office, the licensee must give the commissioner a bond rider or endorsement, or addendum, as applicable, to the bond and errors and omissions coverage on file that reflects the new name or address of the main office or branch office.

Other Filing Requirements. The mortgage servicer licensee must file with the system or, if the information cannot be filed through the system, directly notify the commissioner in writing, within five business days of having reason to know, if the licensee:

1. files for bankruptcy or consummates a corporate restructuring;
2. is criminally indicted, or receives notice that any of its officers, directors, members, partners, or shareholders owning 10% or more of its outstanding stock is indicted for, or convicted of, a felony;
3. receives notice of license denial, cease and desist, or suspension or revocation procedures or other formal or informal regulatory action by any government agency and the reasons for the action;
4. receives notice that the attorney general of Connecticut or any other state has initiated an action, presumably against the licensee, and the reasons for it;
5. knows that its status as an approved seller or servicer has been suspended or terminated by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association;
6. receives notice that certain of its servicing rights will be rescinded or cancelled, and the reasons why;
7. receives notice that any of its officers, directors, members, partners, or shareholders owning 10% or more of its outstanding stock has filed for bankruptcy; or
8. receives notice of a consumer class action lawsuit against it that is related to the operation of the licensed business.

§ 7 — License Terms and Fees

Under the act, a mortgage servicer license expires at the close of business on December 31 of the year in which it is approved, unless it is renewed. But, if the license was approved on or after November 1, it expires at the close of business on December 31 of the year following the year in which it is approved.

Renewal applications must be filed between November 1 and December 31 of the year in which the license expires. For an initial license or renewal, the licensee must pay a \$1,000 license fee to the system along with any required fees or charges. All fees are nonrefundable and cannot be prorated.

§ 8 — Bond Requirements

Under the act, a mortgage servicer applicant or licensee and any person, other than a bank, exempt from mortgage servicer licensure must file with the commissioner a surety bond, a fidelity bond, and errors and omissions coverage written by a surety authorized to do business in Connecticut. The act prohibits anyone from acting as a mortgage servicer in the state without maintaining the required bonds and errors and omissions coverage.

Surety Bond. The surety bond must cover the main office and any branch office where a person acts as a mortgage servicer. Under the act, the required bond amount is \$100,000 per office location and the bond must run concurrently with the license period for the main office. The aggregate liability under the bond must not exceed \$100,000. It must be in a form approved by the attorney general and conditioned on the mortgage servicer licensee or person exempt from mortgage servicer licensure:

1. faithfully performing any and all written agreements or commitments with, or for the benefit of, mortgagors and mortgagees;

2. truly and faithfully accounting for all funds the licensee receives from a mortgagor or mortgagee in its capacity as a mortgage servicer; and
3. conducting the mortgage business in compliance with the law.

Any mortgagor or mortgagee may proceed on the bond against the principal or surety of the bond, or both, to recover damages. The commissioner may proceed on the bond against the principal or surety of the bond, or both, to collect any (1) civil penalty or restitution imposed on a licensee and (2) unpaid costs of an examination of a licensee.

Under the act, bond proceeds are deemed to be held in trust for the benefit of claimants in the event of the principal's bankruptcy and must be immune from attachment by creditors and judgment creditors.

The act requires the principal to notify the commissioner when action on the bond commences. The commissioner may in turn require the filing of a new bond. If the action results in any recovery on the bond, the principal must immediately file a new bond.

Fidelity Bond and Errors and Omissions Coverage. The required fidelity bond and errors and omissions coverage must name the commissioner as an additional loss payee on drafts the surety issues to pay for covered losses directly or indirectly incurred by mortgagors of residential mortgage loans serviced by the mortgage servicer.

The fidelity bond must cover losses arising from dishonest and fraudulent acts, embezzlement, misplacement, forgery, and similar events committed by the mortgage servicer's employees. The errors and omissions coverage must cover losses arising from the mortgage servicer's negligence, errors, and omissions with respect to the payment of real estate taxes and special assessments, hazard and flood insurance, or the maintenance of mortgage and guaranty insurance.

The required fidelity bond and errors and omissions coverage amounts are based on the mortgage servicer's volume of servicing activity most recently reported to the commissioner, as follows:

1. \$300,000 if the amount of the residential mortgage loans serviced is \$100 million or less or
2. if the loan amount exceeds \$100 million, the principal amount must be \$300,000 plus (a) 0.15% of the amount of residential mortgage loans serviced between \$100 million and \$500 million, (b) 0.125% of the amount of residential mortgage loans serviced from \$500 million to \$1 billion, and (c) 0.1% of the amount of residential mortgage loans serviced above \$1 billion.

The fidelity bond and errors and omissions coverage may include a deductible of no more than the greater of \$100,000 or 5% of the principal.

Cancellation of the Bond and Errors and Omissions Coverage. The surety company has the right to cancel the surety bond, fidelity bond, and errors and omissions coverage at any time by providing a written notice to the principal and the commissioner stating the effective date of the cancellation. The company must send notice by certified mail to the principal at least 30 days before the cancellation date. The commissioner must give the principal written notice of the pending cancellation and suspend its license on the cancellation date.

Automatic suspension or inactivation is halted if, prior to the cancellation date, the (1) principal submits a new bond or errors and omissions coverage or a letter of reinstatement or (2) mortgage servicer licensee has ceased business in the state and has surrendered all licenses.

After a license is automatically suspended, the commissioner must (1) give the licensee notice of the suspension, pending proceedings for revocation, or refusal to renew and an opportunity for a hearing and (2) require the licensee to take or refrain from taking action as specified by the commissioner.

Under the act, a state-licensed mortgage lender acting as a mortgage servicer from a location licensed as a main office or branch office loses its exemption from the mortgage servicer licensing requirements if the required surety bond, fidelity bond, or errors and omissions coverage is cancelled.

Additional Bonds Based on Financial Condition. Under the act, the commissioner may require one or more additional bonds meeting the standards described above if he finds a mortgage servicer's or mortgage lender licensee's financial condition warrants it. The licensee must file any additional bonds within 10 days after receiving the commissioner's written notice of a requirement to do so. A mortgage servicer or mortgage lender licensee must file any bond rider, endorsement, or addendum the commissioner requires.

§ 9 — Records Retention

A mortgage servicer licensee and person exempt from licensure must (1) maintain adequate records of each residential mortgage loan transaction at the office named in the mortgage servicer or mortgage lender license or (2) if requested by the commissioner, make the records available at the office or send them to the commissioner within five business days after the request. The records must be sent by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt. Upon request, the commissioner may grant the licensee additional time. The records must provide the

following information:

1. an adequate loan history for residential mortgage loans on which the mortgage servicer makes or receives payments, itemizing the amount and date of each payment and the unpaid balance at all times;
2. the original or an exact copy of the note, residential mortgage, or other evidence of indebtedness and mortgage deed;
3. the name and address of the mortgage lender, mortgage correspondent lender, and mortgage broker, if any, involved in the residential mortgage loan transaction;
4. copies of any disclosures or notification provided to the mortgagor required by state or federal law;
5. a copy of any bankruptcy plan approved in a proceeding filed by the mortgagor or a co-owner of the property subject to the residential mortgage loan;
6. a communications log documenting all verbal communication with the mortgagor or his or her representative; and
7. a copy of all notices sent to the mortgagor related to any foreclosure proceeding filed against the encumbered property.

The act requires every mortgage servicer licensee and person exempt from licensure to retain the records of each residential mortgage loan serviced for (1) at least two years following the final payment on each residential mortgage loan it services or the assignment of the loan, whichever occurs first, or (2) any longer period required by law.

The act also requires every mortgage servicer licensee and person exempt from licensure to keep and use books, accounts, and records that will enable the commissioner to determine compliance with the mortgage servicer laws.

§ 10 — Assignment and Disclosure Requirements

The act requires a mortgage servicer who has assigned the servicing rights on a residential mortgage loan to disclose to the mortgagor:

1. any notice required by the Real Estate Settlement Procedures Act of 1974 (12 USC § 2601 et seq.) and related regulations within the prescribed time periods and
2. a schedule of the ranges and categories of the servicer's costs and fees for servicing-related activities, which must comply with state and federal law and cannot exceed those reported to the commissioner if the servicer is a licensee.

EFFECTIVE DATE: January 1, 2015

§§ 11 & 12 — Standards of Conduct

Violation of Federal Law. The act requires a mortgage servicer to comply with all applicable federal laws and regulations relating to mortgage loan servicing. In addition to any other remedies provided by law, the act allows the commissioner to take enforcement action against violators.

Limitations on Mortgage Servicer Fees. A mortgage servicer must maintain and keep current a schedule of the fees for servicing-related activities. The schedule must (1) identify each fee; (2) provide a plain English explanation of it; and (3) state the fee amount or range of amounts or, if there is no standard fee, how the fee is calculated or determined. A mortgage servicer must make the schedule available to the mortgagor or the mortgagor's authorized representative on request.

The act prohibits any late fee or delinquency charge when the (1) only delinquency is attributable to late fees or delinquency charges assessed on an earlier payment and (2) payment is otherwise a full payment for the applicable period and is paid on its due date or within any applicable grace period.

It prohibits late charges (1) in excess of the past-due amount, (2) from being collected from the escrow account or from escrow surplus without the approval of the mortgagor, or (3) from being deducted from any regular payment.

EFFECTIVE DATE: January 1, 2015

§ 13 — Prohibited Practices

The act prohibits a mortgage servicer from:

1. directly or indirectly employing any scheme, device, or artifice to defraud or mislead mortgagors or mortgagees or to defraud any person;
2. engaging in any unfair or deceptive practice toward any person or misrepresenting or omitting any material information in connection with servicing residential mortgage loans;
3. obtaining property by fraud or misrepresentation;
4. knowingly misapplying or recklessly applying (a) residential mortgage loan payments to the outstanding balance of a residential mortgage loan or (b) payments to escrow accounts;
5. placing hazard, homeowner's, or flood insurance on a mortgaged property when the mortgage servicer knows or has reason to know that the mortgagor has an effective policy for such insurance;
6. failing to comply with a request for a payoff or reinstatement statement;

7. knowingly or recklessly providing inaccurate information to a credit bureau that harms a mortgagor's creditworthiness;
8. failing to report both the favorable and unfavorable payment history of the mortgagor to a nationally recognized consumer credit bureau at least annually if the mortgage servicer regularly reports information to a credit bureau;
9. collecting payments for private mortgage insurance beyond the date when such insurance is required;
10. failing to issue a release of mortgage;
11. failing to provide written notice to a mortgagor upon taking action to place hazard, homeowner's, or flood insurance on the mortgaged property, including a clear and conspicuous statement of the procedures by which the (a) mortgagor may demonstrate that he or she has the required insurance coverage and (b) mortgage servicer will terminate the insurance coverage it placed and refund or cancel any insurance premiums and related fees paid by or charged to the mortgagor;
12. placing hazard, homeowner's, or flood insurance on mortgaged property, or requiring a mortgagor to obtain or maintain such insurance, that exceeds the replacement cost established by the property insurer for improvements on the mortgaged property;
13. failing to provide to the mortgagor a refund of unearned premiums paid by or charged to the mortgagor for hazard, homeowner's, or flood insurance placed by a mortgagee or the mortgage servicer if the mortgagor provides reasonable proof that the mortgagor has obtained coverage so that the forced placement insurance is no longer necessary and the property is insured (if the mortgagor provides reasonable proof that no lapse in coverage occurred, the mortgage servicer must promptly refund the entire premium);
14. requiring any amount of funds to be remitted by means more costly to the mortgagor than a bank or certified check or attorney's check from an attorney's account;
15. refusing to communicate with a mortgagor's authorized representative who provides a written authorization signed by the mortgagor (the licensee is allowed to adopt procedures to verify that the representative is authorized to act on the mortgagor's behalf);
16. conducting any business as a mortgage servicer without holding a valid license, or assisting or aiding and abetting any person to conduct business without a valid license;
17. negligently making any false statement or knowingly and willfully omitting a material fact in connection with any information or reports filed with a government agency or the system, or in connection with any investigation conducted by the commissioner or another government agency; and
18. collecting, charging, attempting to collect or charge, or using or proposing any agreement purporting to collect or charge any fee prohibited by law.

EFFECTIVE DATE: January 1, 2015

§ 17 — Exemptions From Mortgage Servicer Requirements

The mortgage servicer requirements discussed above do not apply to a federal, state, municipal, or quasi-government agency servicing residential mortgage loans as authorized under any state or federal law, or person:

1. exempt from licensure as a mortgage lender or mortgage correspondent lender while servicing residential mortgage loans made under the exemption,
2. servicing five or fewer residential mortgage loans within any 12 consecutive months, or
3. exempt from licensure as a mortgage servicer under the act (see § 4).

§§ 14, 16, & 19 — Investigation and Examination

The act allows the commissioner to conduct investigations and examinations for purposes of initial licensing; license renewal, suspension, conditioning, revocation, or termination; or any general or specific inquiry or investigation to determine compliance with the law. He may also investigate violations or complaints as often as he considers necessary.

The act requires the commissioner to have full access to any books, accounts, records, files, documents, information, or evidence relevant to the inquiry or investigation regardless of their location, possession, control, or custody. It allows him to direct, subpoena, or order the (1) attendance of any person whose testimony may be required and (2) production of any books, accounts, records, files, or documents he deems relevant. It also allows him to examine such person under oath.

A licensee or anyone subject to this act must make or compile reports or prepare other information as the commissioner directs.

The commissioner may (1) control access to any documents and records of the licensee or person under examination or investigation and (2) take possession of the documents and records or place a person in

exclusive charge of the documents and records in the place where they are usually kept. The act prohibits the removal or attempted removal of any of the documents and records during the control period, except by court order or with the commissioner's consent. The mortgage servicer licensee or owner of the documents and records must have access to them as needed to conduct ordinary business, unless the commissioner has reason to believe that they are at risk of being altered or destroyed.

Under the act, the commissioner may:

1. retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators to conduct or assist in conducting examinations or investigations;
2. enter into agreements or relationships with other government officials or regulatory associations to improve efficiencies and reduce the regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, or evidence obtained under the commissioner's authority;
3. use, hire, contract, or employ public or privately available analytical systems, methods, or software to examine or investigate the mortgage servicer licensee;
4. accept and rely on examination or investigation reports made by other government officials, within or outside this state; and
5. accept audit reports made by an independent certified public accountant for the mortgage servicer licensee in the course of that part of the examination covering the same general subject as the audit, and incorporate the audit report in the commissioner's report of examination, report of investigation, or other writing.

A mortgage servicer licensee or person subject to investigation or examination under the act cannot knowingly withhold, abstract, remove, mutilate, destroy, or conceal any books, records, computer records, or other information.

Licensees must pay the actual examination cost, as determined by the commissioner. The commissioner may suspend the license for nonpayment after 60 days.

§ 15 — Enforcement

The commissioner may suspend, revoke, or refuse to renew any mortgage servicer license or take any other action (1) for any reason that would be sufficient grounds for him to deny an application for the license or (2) if he finds that the licensee, any control person of the licensee, the qualified individual or any branch manager with supervisory authority, or trustee, employee, or agent of such licensee has:

1. made any material misstatement in the application;
2. committed any fraud or misrepresentation or misappropriated funds;
3. violated any of the provisions of the banking statutes or related regulations, or any other law or regulation applicable to the conduct of its business; or
4. failed to perform any agreement with a mortgagee or a mortgagor.

The commissioner may take any action allowed under state banking laws against any person whenever it appears to him that the person has violated, is violating, or is about to violate the law. By law, such actions include sending notice of a violation after holding an investigation, offering a hearing on the matter, imposing civil penalties up to \$100,000 per violation, and issuing orders of restitution.

The act allows the commissioner to adopt implementing regulations.

§§ 2-3, 18-20, & 23-24 — Conforming Changes to Reflect the Retitled Term

The act makes numerous conforming changes to reflect the retitled term (mortgage servicer) and its revised definition (see § 1).

§ 21 — MORTGAGE LENDER, MORTGAGE CORRESPONDENT LENDER, OR MORTGAGE BROKER LICENSURE EXCEPTIONS

The act expands the categories of banks and credit unions that are exempt from the mortgage lender, mortgage correspondent lender, or mortgage broker licensure requirements by extending the current exemption to certain of their wholly owned and operating subsidiaries. The act also limits the current exemption available to certain wholly owned and operating subsidiaries.

Under prior law, any wholly owned subsidiary of a Connecticut bank or a Connecticut credit union was exempt from licensure. The act limits this exemption to the wholly owned subsidiaries of such banks or credit unions that are federally insured. The act adds licensure exemption for any wholly owned subsidiary of any federally insured bank, out-of-state bank, federal credit union, and out-of-state credit union.

Also under prior law, any operating subsidiary of a federal bank or federally chartered out-of-state bank was exempt from licensure. The act limits this exemption to the operating subsidiaries whose owners are wholly owned by the same such federal bank or federally chartered out-of-state bank. The act adds licensure exemption for any operating subsidiary of any federally insured bank or credit union, if its owner is

wholly owned by the same such bank or credit union.

§ 22 — DEBT NEGOTIATOR LICENSURE EXCEPTIONS

The act expands the categories of banks and credit unions that are exempt from the debt negotiator licensure requirements by extending the prior exemption to certain of their wholly owned and operating subsidiaries.

Under prior law, operating subsidiaries of federal banks and federally chartered out-of-state banks were subject to the debt negotiator licensure requirements. The act exempts from licensure any operating subsidiary of any bank or credit union if its owner is wholly owned by the same such bank or credit union. The act also adds an exemption for any wholly owned subsidiary of any federally insured bank, out-of-state bank, Connecticut credit union, federal credit union, and out-of-state credit union.

§ 25 — LOAN PRODUCTION OFFICES

By law, Connecticut banks can establish loan production offices in- and out-of-state with the banking commissioner's approval. These offices are limited to producing and soliciting loans.

Under the act, a Connecticut bank that proposes to close a loan production office must notify the commissioner at least 30 days before the proposed closing date. The notice must include (1) a detailed statement of the reasons for the closing and (2) statistics and other information supporting the reasons. The commissioner may require additional information.

The act requires the bank to notify its customers of the proposed closing by posting a conspicuous notice, for at least 30 days before the proposed closing date, on the loan production office premises.

§ 26 — BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION

The act prohibits transferring or assigning a license to operate as a business and industrial development corporation. By law, most entities must obtain one of these licenses from the banking commissioner to operate as such a corporation and participate under the loan guarantee programs of the federal Small Business Administration.

§ 27 — BANKERS' BANK

The act allows banks and credit unions with principal offices in New Jersey or Pennsylvania to join a group of banks that owns a Connecticut-chartered bankers' bank. Existing law allows banks and credit unions in Connecticut, other New England states, and

New York to join. A "bankers' bank" is a wholesale bank that provides services to the other banks and their directors, officers, and employees. It does not engage in retail banking. Connecticut currently has one such bank, Bankers' Bank Northeast.

EFFECTIVE DATE: Upon passage

§§ 28-33 & 35 — MORTGAGE LICENSING SYSTEM AND REGISTRY

The act extends the banking commissioner's authority to use the Nationwide Mortgage Licensing System and Registry, which he currently uses for mortgage industry licensing, for all financial services industry licensing and registration.

The act authorizes the system to receive and maintain these licensing and registration records if the commissioner elects to use system-based licensing and registration for people engaged in the financial services industry. It provides the commissioner with additional authority to change requirements as reasonably necessary to enable expanded participation in the system.

The act (1) makes fees paid to the system nonrefundable, (2) requires that filings be consistent with system procedures and requirements, (3) requires applicants and licensees to timely and accurately submit any required reports, and (4) allows someone to challenge the factual accuracy of information on the system.

The act makes several conforming changes to apply existing provisions about the system to the new uses authorized by the act. It also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except for the provisions extending the commissioner's authority to use the system, which are effective October 1, 2014.

§§ 28-30 — *System*

Prior law defined the term "system" used in mortgage industry licensing as the Nationwide Mortgage Licensing System and Registry developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of mortgage lenders, mortgage correspondent lenders, mortgage brokers, mortgage loan originators, and loan processors or underwriters.

The act allows the system's use in licensing and registration in the financial services industries beyond the mortgage industry. It also specifies that the system (1) may be referred to as NMLS, NMLSR, or any other name or acronym as may be assigned and (2) is owned and operated by the State Regulatory Registry LLC, or any successor or affiliated entity.

§§ 33 & 35 — *Commissioner's Authority to Use the System in Licensure*

Authority to Require System-Based Licensure. The law allows the commissioner to require persons engaged in the mortgage industry to be licensed or registered through the system.

The act authorizes the commissioner to also require anyone engaged in a financial services industry subject to the commissioner's jurisdiction to be licensed or registered through the system. It prohibits a person from making false statements or omissions of material fact in connection with information reported to the system.

System-Based Licensure. Under the act, if the commissioner elects to require system-based licensure, (1) he must require all initial or renewal applications for a license or registration in Connecticut to be made and processed through the system on forms he prescribes and (2) the system must be authorized to receive and maintain records on the licenses or registrations to the same extent the commissioner is allowed or required to maintain them.

The commissioner may, by order, establish requirements for participation in the system, including:

1. background checks, including criminal history checks for owners or managers of business organizations;
2. payment of license application or renewal or registration fees through the system;
3. setting or resetting of license expiration, renewal, or transition dates, reporting dates, or forms; and
4. requirements for amending or surrendering a license or any other activities as the commissioner deems necessary for participation in the system.

The act specifies that background checks include:

1. fingerprint submission to the Federal Bureau of Investigation or other state, national, or international databases;
2. civil, criminal, or administrative records from any government jurisdiction;
3. credit history; and
4. any other activities the system deems necessary.

The commissioner may use the information collected to determine the applicant's eligibility for licensing under applicable law and any order he issues under this licensure system. The commissioner may, by order, waive or modify, in whole or in part, any applicable requirement of the banking statutes and establish new requirements to participate in the system, as reasonably necessary. He may adopt licensing regulations and interim procedures for licensing and acceptance of applications.

Commissioner's Report to the System. If the commissioner elects to require system-based licensure for persons engaged in the financial services industry, he may report regularly to the system any (1) violation of, and enforcement action under, applicable law and (2) other relevant information.

The commissioner may establish a relationship or enter into a contract with the system or any other entity the system designates. He may also collect and maintain records and process transaction fees or other fees related to licensees or others required or permitted to be licensed or registered on the system.

Channeling Information Through the System. The act allows the commissioner to use the system as a channeling agent for requesting information from, and distributing information to, the U.S. Department of Justice, any government agency, and any other source he directs.

Challenging Information Entered into the System. Under the act, any person required or permitted to be licensed or registered through the system may challenge information the commissioner enters into it. The act requires any such challenges to (1) be made in writing to the commissioner, (2) identify the specific information being challenged, and (3) include any evidence that supports the challenge. Challenges are limited to the factual accuracy of information within the system.

The act requires the commissioner to take prompt action to correct information that he determines is factually inaccurate. It does not permit challenges to the merits or factual basis of any administrative action taken by the commissioner under the banking statutes.

System Policies and Procedures. Anyone submitting any information to the system must follow its procedures and requirements and pay any applicable fees or charges to the system.

Each person required to obtain registration or licensure through the system must timely submit accurate reports to it, in the form and with the information it requires.

Fees. Under the act, any fee paid for an initial or renewal application for a license or registration, including fees paid in connection with an application that is denied or withdrawn before the issuance of the license or registration, is nonrefundable. Fees cannot be prorated if a license or registration is surrendered, revoked, or suspended before it expires.

Automatic Suspension. The act allows the commissioner to automatically suspend the license or registration of a person if the system indicates that a required payment was not accepted. The commissioner must (1) give the licensee or registrant (a) notice of the suspension or pending proceedings for revocation or refusal to renew and (b) an opportunity for a hearing on the action and (2) require the licensee to take or refrain

from taking action, as specified by the commissioner.

Abandoned License and Registration Application. Under the act, the commissioner may deem an application for a license or registration on the system abandoned if the applicant fails to respond to any request for required information. He must notify the applicant, through the system, that if the information is not submitted within 60 days from the date of the request, the application will be deemed abandoned and the application filing fee will not be refunded.

Abandonment of an application does not preclude the applicant from submitting a new application.

License or Registration Issued in Error. The commissioner may issue a temporary order to cease business under a license or registration if he determines that it was issued in error. He must give the licensee an opportunity for a hearing. The temporary order is effective when the licensee receives it and, unless set aside or modified by a court, remains in effect until the effective date of a permanent order or dismissal of the matters asserted in the notice.

§ 31 — Confidential or Privileged Information

By law, records disclosed to or on the system that are protected by a state or federal privacy or confidentiality privilege retain the protection. The act extends the confidentiality provisions to (1) any material and information provided to the system and (2) the new uses of the system related to financial services industry licenses and registration. It also allows sharing of the records with federal and other state financial industry regulators.

§ 32 — System-Based License Surrenders

By law, financial services licensees may surrender a license to the commissioner in person or by registered or certified mail. For mortgage industry licenses issued through the system, surrenders must be initiated by filing a request through the system. The act extends the law on surrendering a license through the system to the financial services industry licensees using the system. It also specifies that a surrender through the system is not effective until the commissioner accepts it.

§ 34 — ATTORNEY EXEMPTION FROM MORTGAGE LOAN ORIGINATOR LICENSURE

The act narrows the scope of the exemption for certain attorneys from mortgage loan originator licensure to those licensed in Connecticut. The exemption applies to attorneys who negotiate the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a mortgage lender, mortgage correspondent lender, mortgage

broker, other mortgage loan originator, or one of their agents.

§ 36 — LICENSEES' EDUCATION REQUIREMENTS

The act increases licensing education and testing requirements for mortgage lenders, mortgage correspondent lenders, and mortgage brokers from 20 to 21 hours of approved instruction, by adding one hour of approved instruction in relevant Connecticut law. For continuing education, the act also requires one hour of approved instruction in relevant Connecticut law, but does not increase the eight hours total required.

The prelicensing education requirement is effective October 1, 2014 and the continuing education requirement on October 1, 2015. Under existing law, unchanged by the act, prelicensing and continuing education courses must be reviewed and approved by the system based on reasonable standards.

§§ 37, 38, & 46 — FORECLOSURE MEDIATION PROGRAM

Program Extension and Funding

The act extends the state's foreclosure mediation program for two years, until June 30, 2016. The act also requires that, from July 1, 2014 until June 30, 2016, the program must be funded within available appropriations. Under the act, the size of the program during that time must be determined by the availability of funding and the number and need of program participants.

The state's foreclosure mediation program determines whether parties can reach an agreement that will avoid foreclosure. The program uses the Judicial Branch's foreclosure mediators to conduct mediation sessions in a statutorily prescribed timeframe. Under prior law, the program would sunset on July 1, 2014.

Premediation Review Protocol

By law, the state foreclosure mediation program includes a premediation process during which the mortgagee provides the mortgagor, in certain circumstances, a mediation information form that instructs the mortgagor to gather and submit to the mediator financial documentation commonly used in foreclosure mediation.

The act requires the chief court administrator to develop a premediation review protocol under which the mediator must request the resubmission of any documents that are incomplete, contain errors, or are likely to be unacceptable to the mortgagee. The act specifies that the premediation review must not be construed to be the practice of law on behalf of any

party to mediation or the provision of legal advice by the mediator.

EFFECTIVE DATE: Upon passage, with the provision on the program funding effective July 1, 2014.

§ 39 — DISHONORED PAYMENT OF COLLECTION AGENCY LICENSING FEES

Prior law required the banking commissioner to automatically suspend a consumer collection agency's initial or renewed license when a check paying the license fees was dishonored. But, it had an outdated reference to the appropriate fees that such agencies must pay. The act appears to limit this provision to dishonored payments of the initial licensing or investigation fee.

EFFECTIVE DATE: Upon passage

§ 40 — PROTECTED AGREEMENTS AND ENTITY TRANSACTIONS

The law, beginning on January 1, 2014, established a mechanism for specified business entities to change their entity type through mergers, conversions, and interest exchanges ("entity transactions"). Prior law protected certain types of agreements that were in effect on or after October 1, 2011. The act instead provides such protections to agreements in effect on or after January 1, 2014, the date the entity transaction provisions took effect.

By law, a protected agreement is:

1. a record evidencing indebtedness and related agreements,
2. an agreement binding an entity,
3. an entity's organic rules, or
4. an agreement binding an entity's governors or interest holders.

EFFECTIVE DATE: Upon passage

§ 50 — COMMISSION ON CONNECTICUT'S LEADERSHIP IN CORPORATION AND BUSINESS LAW

The act creates a 17-member Commission on Connecticut's Leadership in Corporation and Business Law within the Legislative Branch.

The commission must develop and recommend policies to:

1. establish Connecticut as a leading and highly desirable location to organize a business entity (a corporation, association, partnership, limited liability company, or similar organization) and adjudicate corporate and business law matters and
2. attract and encourage business entities to organize under Connecticut law and have their headquarters and significant business

operations here.

It must submit a 10-year action plan to the legislature by October 1, 2015 to achieve these purposes and establish Connecticut's leadership in corporation business organization law.

Charge

In developing its plan and to achieve the act's purposes, the commission must develop and recommend policies to:

1. enhance and improve Connecticut's corporation statutes;
2. establish a court docket with exclusive jurisdiction over matters involving business entity organization, shareholders, securities, and business combinations or transactions involving the sale or transfer of ownership interests; and
3. assist the secretary of the state in developing best-in-the-nation business services and support, including a state-of-the-art business entity organization and filing system with accelerated access to business services 24 hours a day.

The commission must also examine the impact of statutes and the common law in Connecticut, Delaware, New York, and other states on organizing business entities and retaining them in Connecticut. It must recommend legislation and administrative and policy changes to the governor and legislature. To do so, the commission must examine the impact of:

1. Connecticut's business corporation laws;
2. state business taxes, including franchise and corporation business taxes;
3. Judicial Branch operations on business entity organization, including court rules, the complex litigation docket, and the branch's composition;
4. the Secretary of the State's Office and the state's procedures for business entity organization and filing, including electronic and accelerated capabilities;
5. Delaware's corporate law, Chancery Court, and statutory and administrative provisions on (a) Delaware's economy and economic development and (b) adjudication of corporate and business disputes in Connecticut courts; and
6. New York's corporation law, Supreme Court's commercial division, and other statutory and administrative provisions on (a) New York's economy and economic development and (b) adjudication of corporate and business disputes in Connecticut courts.

Members

The commission consists of:

1. the Connecticut Bar Association business law section chairperson;
2. the economic and community development commissioner or her designee;
3. the chief court administrator or his designee;
4. the chairpersons of the Banks, Commerce, and Judiciary committees, or their designees chosen from among the appropriate committee's membership;
5. one member appointed by each of the six legislative leaders; and
6. two members appointed by the governor.

Members must choose the commission's chairperson from among the members and the commission must meet as necessary.

§ 51 — REVERSE MORTGAGE TASK FORCE

The act establishes a task force to study the reverse mortgage industry. The study must examine:

1. statewide best practices of the industry, including consumer protection practices;
2. existing federal regulations and any proposed new or revised federal regulations governing consumer protection requirements in the context of reverse mortgage transactions; and
3. any federal or state court decisions that impact the reverse mortgage industry and reverse mortgage transactions in the state.

Task Force Members and Appointments

The six-member task force consists of one member each appointed by the:

1. Senate president pro tempore, who must be a representative from a nonprofit, nonpartisan organization that provides information, support, security, protection, and empowerment to older people;
2. Senate majority leader, who must be a Department of Consumer Protection representative;
3. Senate minority leader, who must be a Senate member;
4. House speaker, who must be a House member;
5. House majority leader, who must have expertise in the reverse mortgage industry; and
6. House minority leader, who must be a Commission on Aging representative.

All appointments must be made by July 3, 2014 and the appointing authorities must fill any vacancies.

The House speaker and Senate president pro tempore must select the task force chairpersons from among the members. The chairpersons must schedule and hold the first meeting by August 3, 2014. The Banks Committee's administrative staff must serve as the task force's administrative staff.

Reporting Requirement and Termination

The task force must report its findings and recommendations to the Banks and Aging Committees by January 1, 2015. It terminates when it submits the report or on January 1, 2015, whichever is later.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Act

Among other things, PA 14-7:

1. expands the licensure and bond requirements for businesses that make residential mortgage loans or act as mortgage lenders, mortgage correspondent lenders, or mortgage brokers that engage the services of a mortgage loan originator to act on their behalf;
2. expands the licensure requirements for debt negotiators who are also mortgage loan originators; and
3. requires a mortgagee to provide a certificate of good standing to a mortgagor who has completed the foreclosure mediation program, if specified conditions are met.

PA 14-66—sHB 5113
*Committee on Children
 Education Committee
 Appropriations Committee*

**AN ACT CONCERNING YOUTH ATHLETICS
 AND CONCUSSIONS**

SUMMARY: This act makes several changes and additions to the laws requiring parents, coaches, and school districts to take specific steps to prevent concussions during intramural and interscholastic events.

It (1) requires the State Board of Education (SBE) to develop a concussion education plan and (2) prohibits school boards from allowing a student athlete to participate in any intramural or interscholastic athletic activity unless the athlete and his or her parent or guardian receive training on the plan.

The act also requires:

1. SBE to (a) develop or approve an informed consent form on concussions to be distributed to parents and legal guardians of student athletes involved in intramural and interscholastic athletic activities and (b) annually collect and report to the Department of Public Health (DPH) information from all school districts on concussion occurrences;
2. schools to provide the informed consent form to each student athlete’s parent or guardian and get his or her signature authorizing the student to participate in the athletic activity; and
3. coaches or other qualified school employees to notify a student athlete’s parent or guardian when the student is removed from play for a concussion or suspected concussion.

The act narrows the scope, from concussions and head injuries to just concussions, of the (1) initial training course and subsequent information review that intramural and interscholastic athletics coaches must complete and (2) training and refresher courses SBE must develop in consultation with several entities. It also specifies that a concussion is a type of brain injury.

The act also broadens the (1) list of entities SBE must consult when developing the training and refresher courses and information review to include the DPH commissioner and (2) information required in the refresher course.

The act establishes a 20-member task force to study concussion occurrences in youth athletics and recommend possible legislative initiatives to address such concussions. The task force must report its findings and recommendations to the Public Health and Children’s committees by January 1, 2015.

Lastly, the act makes technical changes.

EFFECTIVE DATE: July 1, 2014, except for the task force provision, which is effective upon passage.

**TRAINING AND REVIEW MATERIAL
 REQUIREMENTS**

Prior law required intramural and interscholastic athletics coaches who hold or are issued a coaching permit by SBE to complete an initial training course on concussion and head injuries before beginning a coaching assignment for the school athletics season. They had to subsequently complete a refresher course and annually review materials on concussions and head injuries. The act narrows the scope of the training and review materials to only concussions, eliminating other head injuries. It also requires the initial training course to include information on the danger of continuing to engage in any athletic activity, instead of just returning to play in the same activity, after sustaining a concussion.

The act expands the information required in the refresher course to include (1) an update on current best practices in concussion research, prevention, and treatment and (2) for football coaches, current best practices regarding football coaching, including frequency of games, full contact practices, and scrimmages, as identified by the governing authority for intramural and interscholastic athletics.

The act also requires SBE to consult with the DPH commissioner to develop or approve the concussion training courses and, starting October 1, 2014, annually prepare or approve the review materials. SBE must already consult on these matters with (1) the intramural and interscholastic athletics governing authority, (2) an appropriate organization representing licensed athletic trainers, and (3) an organization representing county medical associations.

**CONCUSSION EDUCATION PLAN AND
 INFORMED CONSENT FORM**

Concussion Education Plan

The act requires SBE, by January 1, 2015, and in consultation with the above entities, to develop or approve a concussion education plan for use by local and regional school boards. The school boards must implement the plan by using written materials, online training or videos, or in-person training. The plan must address:

1. recognition of concussion signs or symptoms;
2. how to obtain proper medical treatment for a person suspected of sustaining a concussion;
3. the nature and risks of concussions, including the danger of continuing to engage in athletic activity after sustaining one;

4. the proper procedures for allowing a student athlete who has sustained a concussion to return to athletic activity; and
5. current best practices in the prevention and treatment of a concussion.

This information, with the exception of the best practices, is also included in the initial concussion training course coaches must complete.

Starting with the 2015-2016 school year, the act prohibits school boards from allowing a student athlete to participate in any intramural or interscholastic athletic activity unless the student and his or her parent or guardian (1) read written materials, (2) view online training or videos, or (3) attend in-person training regarding the plan.

Informed Consent Form

The act requires SBE, by July 1, 2015, and in consultation with the same entities, to develop or approve an informed consent form regarding concussions, which must be distributed to parents and legal guardians of student athletes involved in intramural and interscholastic athletic activities. The consent form must include a summary of the (1) concussion education plan and (2) applicable school board concussion policies.

The act requires schools, starting with the 2015-2016 school year, to provide the consent form to each participating student athlete's parent or legal guardian. The schools must also get the parent's or guardian's signature, attesting that he or she received the form and authorizing the student to participate in the athletic activity.

CONCUSSION NOTIFICATION

The act requires a qualified school employee, when a student athlete is removed from an athletic activity for a concussion or suspected concussion, to notify the student's parent or legal guardian that the student has been diagnosed with, or shown signs, symptoms, or behaviors of, a concussion. The employee must (1) provide the notice within 24 hours after removing the student and (2) make a reasonable effort to provide the notice immediately after the student is removed.

A "qualified school employee" is a principal, teacher, licensed athletic trainer, licensed physical or occupational therapist employed by a school district, coach, or school paraprofessional.

SCHOOL DISTRICT AND AGENCY REPORTING REQUIREMENTS

The act requires SBE, starting with the 2014-2015 school year, to annually require school districts to collect and report to it all concussion occurrences. The

report must include the (1) nature and extent of the concussion and (2) circumstances in which the student sustained it.

SBE, starting with the 2015-2016 school year, must annually send a concussion report to DPH containing all the reported school district concussion information. DPH, starting by October 1, 2015, must annually report the SBE concussion report's findings to the Children's and Public Health committees.

CONCUSSION TASK FORCE

The act establishes a 20-member task force to study concussion occurrences in youth athletics and make recommendations for possible legislative initiatives to address concussions. The study must examine:

1. current best practices for concussion recognition and prevention in youth athletics;
2. current concussion policies and procedures used by youth athletic league operators in the state;
3. youth athletic league employee and volunteer training; and
4. relevant federal, state, and local concussion laws and regulations.

The task force members must include the public health, children and families, and education commissioners, or their designees, and the appointees shown in Table 1.

Table 1: Concussion Task Force Appointees

| <i>Appointing Authority</i> | <i>Number of Appointees</i> | <i>Qualifications</i> |
|------------------------------|-----------------------------|---|
| House speaker | Two | <ul style="list-style-type: none"> • Intramural and interscholastic athletics governing authority representative • Connecticut State Medical Society representative |
| Senate president pro tempore | Two | <ul style="list-style-type: none"> • County medical association representative • American Association of Neurology representative |
| House majority leader | Two | <ul style="list-style-type: none"> • Licensed athletic trainer representative • Youth athletic coach |
| Senate majority leader | Two | <ul style="list-style-type: none"> • Sports medicine physician • Association of School Nurses of Connecticut representative |

| <i>Appointing Authority</i> | <i>Number of Appointees</i> | <i>Qualifications</i> |
|---|-----------------------------|--|
| House minority leader | Two | <ul style="list-style-type: none"> Academic who has studied the effects of concussions on children Connecticut Association of Psychologists representative |
| Senate minority leader | Two | <ul style="list-style-type: none"> Connecticut Concussion Task Force representative Connecticut Children's Medical Center representative |
| Children's Committee House chairperson | Two | <ul style="list-style-type: none"> Parent concussion awareness advocacy group representative State-licensed chiropractor |
| Children's Committee Senate chairperson | Two | <ul style="list-style-type: none"> Connecticut Recreation and Parks Association representative Attorney with experience in representing brain injury survivors |
| Governor | One | <ul style="list-style-type: none"> Hezekiah Beardsley Connecticut Chapter of the American Academy of Pediatrics representative |

All task force appointments must be made by June 27, 2014. The appointing authority must fill any vacancy. The House speaker and the Senate president pro tempore must select the task force chairpersons from its members, and the chairpersons must schedule the first meeting by July 27, 2014. The Children's Committee administrative staff serves as the task force's administrative staff.

The act requires the task force to report its findings and recommendations to the Public Health and Children's committees by January 1, 2015. The task force terminates on the date it submits the report or January 1, 2015, whichever is later.

PA 14-70—sHB 5037
*Committee on Children
 Environment Committee*

AN ACT CONCERNING CROSS REPORTING OF CHILD ABUSE AND ANIMAL CRUELTY

SUMMARY: This act broadens the circumstances under which a state, regional, or municipal animal control officer (ACO) must file an animal abuse report with the Department of Agriculture (DoAg) commissioner. It also requires the DoAg commissioner, starting by November 1, 2014, to include these additional reports in the monthly report he must already submit to the Department of Children and Families (DCF) commissioner.

The act expands the list of addresses against which the DCF commissioner must check an address in a DoAg report.

It additionally requires:

1. DCF employees who, in the course of their work, reasonably suspect that an animal has been harmed, neglected, or treated cruelly in violation of the law, to report in writing, instead of orally, to the DoAg commissioner and
2. the DCF and DoAg commissioners, starting by January 1, 2015, to report annually to the Children's Committee the number of ACO and DCF employee written reports of actual or suspected instances of animal neglect or cruelty they received.

EFFECTIVE DATE: October 1, 2014

EXPANDED ACO REPORTING REQUIREMENTS

Under prior law, an ACO had to file a report with the DoAg commissioner only when the ACO both (1) reasonably suspected an animal was being treated cruelly in violation of the law and (2) filed a verified petition with the court after taking custody of the animal based on probable cause that cruel treatment occurred.

The act requires the ACO to file a report when he or she either reasonably suspects cruel treatment or files a verified petition based on probable cause of one of the following violations:

1. illegally cropping a dog's ears;
2. inhumanely transporting horses;
3. selling, trading, or giving away a horse to work that is unable to do so;

4. leading, riding, or driving an animal on a public highway;
5. cruelty to poultry;
6. animal cruelty;
7. selling or giving a dyed fowl or rabbit;
8. using an animal, reptile, or bird to solicit alms or donations, or for other prohibited activities;
9. illegally docking a horse's tail; or
10. inhumanely transporting animals on railroads.

Prior law required the ACO to file the report as soon as practicable but no later than 48 hours after filing the court petition. The act requires the ACO to file a written report within 48 hours of having the reasonable suspicion or filing a petition.

DCF COMMISSIONER REQUIREMENTS

By law, the DCF commissioner, within a week of receiving the DoAg report, must review it to see whether addresses linked to animal abuse match certain addresses. The act requires her to:

1. broaden the scope of her search by comparing the addresses to those where DCF has an open child protection case, rather than an open child abuse or neglect investigation, and
2. provide the relevant information to the family's social worker instead of a DCF investigator.

Open child protection cases include all abuse and neglect cases in the investigation stage as well as those receiving ongoing services from the department. Investigations remain open for up to 45 days, but child protection cases may remain open for months or years.

PA 14-76—sSB 24
Committee on Children
Judiciary Committee
Appropriations Committee

AN ACT CONCERNING THE GOVERNOR'S RECOMMENDATIONS REGARDING ELECTRONIC NICOTINE DELIVERY SYSTEMS AND YOUTH SMOKING PREVENTION

SUMMARY: This act makes it illegal for (1) a minor (under age 18) to buy or possess in public an “electronic nicotine delivery system” or “vapor product” (such as an e-cigarette) and (2) anyone to sell, give, or deliver such a system or product to a minor. It subjects violators to some of the same penalties the law imposes on those who commit similar violations involving tobacco cigarettes.

It makes the law more lenient for those charged with selling tobacco cigarettes or other tobacco products to minors by waiving the civil penalty for first-time offenders who successfully complete an online tobacco

education course. At the same time, it tightens the law for these offenders by extending the look-back period for determining if a prior offense occurred from 18 months to 24 months.

Under the act, minors charged for a second or subsequent time with illegally buying tobacco cigarettes are subject to the higher penalty imposed on subsequent offenders only if they commit a second or subsequent violation within 24 months of the first violation.

The act imposes fines, in addition to existing civil penalties, on cigarette dealers and distributors who sell improperly packaged or individual tobacco cigarettes.

It increases the amount of money the Tobacco and Health Trust Fund board of trustees can disburse annually, starting in FY 14, and allows the board to operate in FY 16. Prior law suspended the board's operation for FY 16.

Finally, the act corrects a statutory reference concerning the trust fund and makes conforming changes.

EFFECTIVE DATE: October 1, 2014

§§ 1 & 7 — E-CIGARETTES AND MINORS

Electronic Nicotine Delivery Systems and Vapor Products

Under the act, an “electronic nicotine delivery system” is an electronic device used to simulate smoking in delivering nicotine or another substance to a person who inhales from it. Delivery systems include electronic (1) cigarettes; (2) cigars; (3) cigarillos; (4) pipes; (5) hookahs; and (6) related devices, cartridges, or other components.

A “vapor product” uses a heating element; power source; electronic circuit; or other electronic, chemical, or mechanical means, regardless of shape or size, to produce a vapor the user inhales. The vapor may or may not include nicotine. (Presumably, these products would include products whose vapors are meant to be inhaled by users, and not such products as humidifiers or air fresheners.)

Purchase of E-cigarettes by Minors

The act penalizes the sale to, or purchase by, minors of both electronic nicotine delivery systems and vapor products (“e-cigarettes”).

Under the act, a minor who (1) buys an e-cigarette, (2) misrepresents his or her age to do so, or (3) possesses one in public, faces a fine of up to \$50 for a first offense and between \$50 and \$100 for each subsequent offense. Under the act, a “public place” is an area used or held out for use by the public regardless of whether it is publicly or privately owned. Violators may pay the fine by mail, without making a court appearance.

Sale, Gift, or Delivery of E-cigarettes to Minors

The act subjects anyone who sells, gives, or delivers an e-cigarette to a minor to a maximum fine of:

1. \$200 for a first offense,
2. \$350 for a second offense committed within 18 months of the first offense, and
3. \$500 for each subsequent offense committed within 18 months.

The act does not specify whether the 18-month time frame for third and subsequent offenses runs from the date of the first or second offense. It exempts anyone who sells, gives, or delivers an e-cigarette to, or receives one from, a minor who receives or delivers it as an employee.

It requires sellers and their agents or employees who sell e-cigarettes to ask a prospective buyer whose age is in doubt for proper proof of age, in the form of a driver’s license, valid passport, or identity (ID) card. It bars the seller, agent, or employee from selling an e-cigarette to such a person who does not provide this proof.

Electronic Scanners

The act applies to e-cigarettes the laws regarding the use of transaction scan devices (electronic scanners) to verify the age of prospective cigarette purchasers. These include:

1. allowing sellers to check the validity of certain documents other than driver’s licenses and ID cards,
2. barring sellers from selling to someone if the scan fails to match the information on the license or ID card,
3. limiting what information a transaction scanner can record to the license or card holder’s name and birthdate and the license’s or card’s expiration date and identification number,
4. barring sellers or their employees from selling the information from a transaction scan, and
5. allowing an affirmative defense in prosecutions for selling e-cigarettes to minors where the seller relied on an electronic scan indicating a valid license or ID card.

As under the law regarding tobacco cigarettes, violators are subject to a civil penalty of up to \$1,000.

§ 2 — DEPARTMENT OF REVENUE SERVICES (DRS) CIVIL PENALTIES FOR PURCHASE OR SALE OF TOBACCO CIGARETTES OR OTHER TOBACCO PRODUCTS TO MINORS

By law, the DRS commissioner may, after a hearing, impose civil penalties on (1) minors who buy tobacco cigarettes or other tobacco products; (2) dealers, distributors, or their employees who sell, give, or

deliver such products to minors; and (3) owners of businesses with cigarette vending machines that sell, give, or deliver cigarettes to minors. The commissioner also may suspend or revoke the license of a dealer or distributor for selling to a minor (CGS § 12-295).

Purchase of Tobacco Cigarettes by Minors

By law, a minor who illegally buys tobacco cigarettes or tobacco products faces a maximum civil penalty of \$100 for a first violation and \$150 for each subsequent violation. Under the act, the commissioner cannot impose the higher fine for a second or subsequent violation unless the minor commits it within 24 months of a first violation.

Sale to Minors by Dealers, Distributors, or Their Employees, or Owners of Businesses with Cigarette Vending Machines

The act waives, for a first offense, the penalty for (1) dealers, (2) distributors, (3) their employees, or (4) owners of businesses with cigarette vending machines who sell cigarettes or tobacco products to minors if they successfully complete an online tobacco prevention education program administered by the Department of Mental Health and Addiction Services. They must do so within 30 days after the DRS commissioner finds that they have violated the law.

But the act imposes the existing civil penalties on first-time offenders who fail to successfully complete the program. It extends, from 18 months to 24 months, the period in which a violation of the law is deemed a subsequent offense for purposes of imposing a higher penalty and specifies that the 24-month period runs from the date of the first violation.

The act does not change the amount of the penalties, listed in Table 1 below, or the hearing requirement. By law, people may appeal fines the commissioner imposes.

Table 1: DRS Penalties for Sale of Tobacco Products to Minors

| <i>Sale By</i> | <i>First Offense</i> | <i>Second Offense</i> | <i>Subsequent Offense</i> |
|---|----------------------|-----------------------|--|
| Employee of Dealer or Distributor | \$200 | \$250 | \$250 |
| Dealer/ Distributor | \$300 | \$750 | \$750 and at least a 30-day license suspension |
| Owner of Business with Cigarette Vending Machines | \$500 | \$750 | \$750 and removal of vending machine. No replacement machine for one year. |

§§ 3 & 7 — SALE OF INDIVIDUAL CIGARETTES

The law subjects cigarette dealers and distributors to civil penalties for selling cigarettes unless they are in unopened packages of at least 20 that (1) originated with the manufacturer and (2) bear the legally required health warning.

The act subjects violators to fines in addition to these civil penalties. It subjects people who violate this law to a maximum fine of \$200 for a first offense, \$300 for a second offense within 24 months, and \$500 for each subsequent offense within 24 months of the first offense. The act allows violators to pay the fine by mail without making a court appearance.

By law, unchanged by the act, the DRS commissioner may, after a hearing, impose civil penalties of \$50 for a first offense, \$250 for a second offense, and \$500 for a subsequent offense. These penalties are in addition to any other penalty the law provides, including suspension or revocation of a dealer's or distributor's license (CGS § 12-314).

§ 4 — TOBACCO AND HEALTH TRUST FUND

The Tobacco and Health Trust Fund provides funds to (1) support and encourage reduction of tobacco abuse through prevention, education, and cessation programs; (2) support and encourage development of programs to reduce substance abuse; and (3) develop and implement programs to meet unmet physical and mental health needs in the state.

Prior law capped the trust fund board's annual disbursements for FY 14 and FY 15 at \$3 million per year. Starting in FY 17, prior law restored prior trust fund disbursement levels, which were (1) up to one-half the previous fiscal year's annual disbursement to the trust fund from the Tobacco Settlement Fund, to a maximum of \$6 million per fiscal year, and (2) the trust fund's net earnings on principal from the previous fiscal year.

The act instead allows the board to recommend, for fiscal years starting with FY 14, and after funds have been disbursed according to law, the disbursement of the fund's total unobligated balance, to a maximum of \$12 million annually.

Finally, it allows the board to operate in FY 16. Prior law suspended the board's operation for FY 16.

PA 14-93—sSB 229

*Committee on Children
Education Committee
Appropriations Committee*

AN ACT CONCERNING SUDDEN CARDIAC ARREST PREVENTION

SUMMARY: This act requires the State Board of Education (SBE), starting with the July 1, 2015 school year, and in consultation with specified organizations, to develop or approve a sudden cardiac arrest awareness education program for use by local and regional boards of education. SBE also must develop and approve, by July 1, 2015, an informed consent form on sudden cardiac arrest for distribution to students' parents and legal guardians. Sudden cardiac arrest occurs when the heart suddenly and unexpectedly stops beating.

The act requires, starting July 1, 2015, coaches of intramural and interscholastic athletics to (1) give the consent form to, and obtain the written consent of, a student's parent or legal guardian before allowing a student to participate in such athletic activities and (2) annually review the sudden cardiac arrest awareness education program before beginning their coaching assignments. Beginning with the July 1, 2015 school year, the act immunizes coaches from personal and professional liability for any action or omission, except those constituting willful misconduct, gross negligence, or recklessness, in connection with these requirements.

Existing law already requires school boards to indemnify school employees and volunteers, including coaches, against financial loss and expense resulting from alleged negligence or other acts arising from their duties, subject to similar exceptions (CGS § 10-235).

The act does not relieve coaches of their duties or obligations under state law, regulations, or a collective bargaining agreement. It allows SBE, starting with the July 1, 2015 school year, to revoke the permit of a coach who fails to annually review the sudden cardiac arrest awareness education program. By law, SBE may revoke a permit for specified reasons, including obtaining a permit through fraud or neglecting to perform the duties for which the permit was granted.

EFFECTIVE DATE: October 1, 2014

SUDDEN CARDIAC ARREST AWARENESS EDUCATION PROGRAM

The act requires SBE, for each school year, starting July 1, 2015, to develop or approve a sudden cardiac arrest awareness education program for use by local and regional school boards. SBE must do so in consultation with (1) the public health commissioner; (2) the governing authority for intramural and interscholastic athletics; (3) an appropriate organization representing licensed athletic trainers; and (4) an organization representing national, state, or local medical associations. SBE may use material developed by such organizations as Simon's Fund in developing or approving the program (see BACKGROUND).

The program, which must be published on SBE's website, must include the:

1. warning signs and symptoms associated with sudden cardiac arrest, including fainting, difficulty breathing, chest pain, dizziness, and abnormal racing heart rate;
2. risks associated with continuing to engage in intramural or interscholastic athletics after displaying these signs and symptoms;
3. means of obtaining proper medical treatment for someone suspected of experiencing sudden cardiac arrest; and
4. proper method of allowing a student who has experienced sudden cardiac arrest to return to intramural or interscholastic athletics.

Under the act, "intramural or interscholastic athletics" means any activity sponsored by a school, local education agency, or agency-sanctioned organization involving an athletic contest, practice, scrimmage, competition, demonstration, display, or club activity.

CONSENT FORM

By July 1, 2015, SBE must develop and approve an informed consent form on sudden cardiac arrest to distribute to parents and legal guardians of students participating in intramural or interscholastic athletics. SBE must do this in consultation with the same organizations with which it developed or approved the sudden cardiac arrest awareness education program. The form must include, at a minimum, a summary of the (1) program and (2) applicable school board's policies on sudden cardiac arrests.

COACHES' RESPONSIBILITIES

For the July 1, 2015 school year and each year afterwards, anyone who holds or has received an SBE coaching permit and who coaches intramural or interscholastic athletics must, before beginning his or her coaching assignment for the season, give each

participating student's parent or legal guardian a copy of the consent form. The coach must obtain the signature of the parent or legal guardian acknowledging that he or she has received the form and authorizes the student to participate. Starting with the July 1, 2015 school year, coaches must annually review the sudden cardiac arrest awareness program before beginning their coaching assignments.

BACKGROUND

Simon's Fund

According to its website, Simon's Fund is a Pennsylvania 501(c)(3) organization dedicated to raising awareness about conditions that lead to sudden cardiac arrest and death in young athletes and children.

Automatic External Defibrillators

By law, a school board must have at each school in its jurisdiction, if funding is available, (1) an automatic external defibrillator and (2) school staff trained in its use and in cardiopulmonary resuscitation. The law also requires each school to develop emergency action response plans for school personnel responding to individuals experiencing sudden cardiac arrest or similar life-threatening emergencies (CGS § 10-212d).

PA 14-99—sSB 45

Committee on Children

Education Committee

Human Services Committee

AN ACT CONCERNING THE DEPARTMENT OF CHILDREN AND FAMILIES AND THE EDUCATION OF CHILDREN

SUMMARY: This act requires the superintendent of each school district providing education to a neglected or abused child committed to the custody of the Department of Children and Families (DCF) to provide certain education-related information to DCF, the student's foster parent, and the student's attorney. The superintendent must describe the student's educational status and academic progress in a way substantially similar to the way the superintendent would describe this to parents or legal guardians of children not in DCF custody. The description must include information on the student's current level of educational performance, including (1) absenteeism and grade-level performance, (2) test results, (3) report cards, (4) individual success plans, and (5) discipline reports.

The act also requires DCF and the Judicial Branch's Court Support Services Division to promptly review a child's or youth's educational files when he or

she enters a facility or school program they run or contract with to determine if the child or youth may be eligible for special education and related services under state law.

It also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2014

PA 14-140—HB 5305

Committee on Children

AN ACT CONCERNING CADMIUM LEVELS IN CHILDREN'S JEWELRY

SUMMARY: This act delays, for two years, the ban on manufacturing, selling, offering for sale, or distributing in Connecticut children's jewelry containing more than .0075% (by weight) of elemental cadmium, or compounds or alloys containing it. Under prior law, the ban would have taken effect July 1, 2014.

By law, "children's jewelry" means jewelry designed or intended to be worn or used by children under age 13. It includes charms, bracelets, pendants, necklaces, earrings, or rings, and any of their components.

The act also establishes a 16-member task force to study the threshold at which cadmium is safe in children's jewelry. The task force must report to the Children's, General Law, and Public Health committees by January 15, 2015.

EFFECTIVE DATE: Upon passage

TASK FORCE

Task force members include:

1. the commissioners of consumer protection and public health, or their designees;
2. the Children's and General Law committees' chairpersons and ranking members, or their designees;
3. a jewelry manufacturing industry representative, appointed by the House speaker;
4. a representative of a nonprofit organization promoting children's health and safety, appointed by the Senate president pro tempore;
5. a chemist with expertise in the bioavailability of heavy metals, appointed by the House majority leader (bioavailability refers to the extent to which a substance is absorbed by the body);
6. a child advocacy group member, appointed by the Senate majority leader;
7. a municipal public health director, appointed by the House minority leader; and

8. a state jewelry retail business or association representative, appointed by the Senate minority leader.

The chemist and health director serve as ex-officio task force members.

The act (1) requires all appointments to be made by July 6, 2014 and (2) allows legislators to be task force members. The appointing authority must fill any vacancy.

The Children's and General Law committees' House chairpersons must (1) serve as the task force chairpersons and (2) schedule the first meeting by August 5, 2014. The Children's and General Law committee administrative staffs serve as the task force's administrative staff.

The task force must report its findings and recommendations to the Children's, General Law, and Public Health committees by January 15, 2015. It terminates on the date it submits the report or January 15, 2015, whichever is later.

BACKGROUND

Cadmium

The U. S. Department of Health and Human Services has determined that cadmium and its compounds are human carcinogens. A few studies in animals indicate that the young absorb more cadmium than adults. Animal studies also indicate that the young are more susceptible than adults to a loss of bone and decreased bone strength from exposure to cadmium.

PA 14-186—sHB 5040

Committee on Children

Education Committee

Judiciary Committee

AN ACT CONCERNING THE DEPARTMENT OF CHILDREN AND FAMILIES AND THE PROTECTION OF CHILDREN

SUMMARY: This act expands the circumstances in which the departments of Children and Families (DCF) and Social Services (DSS) must disclose the names and records of certain people to specific entities. The circumstances affecting DCF include:

1. disclosing names and records to investigate or prosecute a person for falsely reporting child abuse and neglect,
2. disclosing records to investigate or prosecute a mandated reporter for failing to report suspected child abuse or neglect,
3. determining a person's suitability for working in a state-licensed child care facility,

4. placing a public school employee on the child abuse and neglect registry, and
5. protecting a DCF employee being threatened by a client or coworker.

The act expands the circumstances in which DSS must disclose information to DCF about a child receiving DSS services or the child's immediate family.

The act also requires DCF to disclose information to help the (1) Judicial Branch track juvenile offender recidivism and (2) Birth-to-Three program provide services.

The act expands the actions DCF can take to help children it identifies as or believes are victims of trafficking to include (1) providing services, (2) forming multidisciplinary teams to review trafficking cases, and (3) providing training to law enforcement officers about trafficking. It also expands the category of children or youths a court may find to be "uncared for" to include child-trafficking victims.

The act expands the mandated reporter list to include youth camp directors, among others. Additionally, it changes the procedures for suspending certain types of employees suspected of child abuse and neglect. It:

1. expands the circumstances in which DCF must report the results of an investigation of alleged employee abuse or neglect to a school superintendent and the education commissioner;
2. narrows the circumstances in which the superintendent must suspend the employee;
3. broadens the category of public school employees who may be suspended to include any school employee, not just those with State Board of Education (SBE)-issued credentials who care for children; and
4. makes changes to the timeline in which such investigations and suspensions must take place at (a) private schools and (b) public and private child-care facilities and institutions.

EFFECTIVE DATE: October 1, 2014

§ 1 — DCF NAME AND RECORD DISCLOSURE

Expanded Circumstances for Disclosing Names

The act expands grounds under which DCF must report to a law enforcement officer or state's attorney the name of someone who (1) reports suspected child abuse or neglect or (2) cooperates with a child abuse or neglect investigation. By law, DCF must report the person's name to a law enforcement officer investigating child abuse or neglect and to a state's attorney investigating or prosecuting such matters. The act also requires DCF to disclose the name to a law enforcement officer investigating an allegation that the

person falsely reported the suspected child abuse or neglect and a state's attorney investigating or prosecuting such an allegation.

Expanded Circumstances for Disclosing Records

The act expands the circumstances in which DCF must disclose records about a person to specified parties without the person's consent.

By law, DCF must disclose such information to law enforcement officers and the chief state's attorney, or his designee, when they are investigating or prosecuting, as appropriate, a child abuse or neglect allegation. The act requires DCF to also disclose records to them when they are investigating or prosecuting an allegation that a (1) person made a false report of suspected child abuse or neglect or (2) mandated reporter failed to report suspected child abuse or neglect.

The law requires DCF to disclose records to the Department of Public Health (DPH) to (1) determine a person's suitability to care for a child in a licensed child-care facility, (2) determine a person's suitability for DPH licensure, or (3) investigate alleged child abuse or neglect involving a licensed child-care facility. The act requires DCF to also disclose records to DPH when DCF (1) places a DPH-licensed or -certified person on the child abuse registry or (2) has information about such a person who violated a DPH regulation.

The law requires DCF to disclose records to a public school district superintendent or executive director or other head of a public or private child-care institution or private school in response to (1) a mandated reporter's written or oral report of abuse or neglect or (2) the DCF commissioner's reasonable belief that a school employee abused or neglected a student. The act requires DCF to also disclose records to such entities when it places an employee of the school or institution on the child abuse or neglect registry.

New Disclosure Requirements

The act expands the list of entities to whom DCF must disclose its records to include:

1. the Judicial Branch's Court Support Services Division for sharing common case records to track juvenile offenders' recidivism and
2. the Birth-to-Three program's referral intake office for determining eligibility of, facilitating enrollment for, and providing services to (a) substantiated abuse and neglect victims with suspected developmental delays and (b) newborns affected by withdrawal symptoms from prenatal drug exposure (see BACKGROUND).

Authorized Record Disclosures

The act allows DCF to disclose records without the subject's consent to a law enforcement officer or state's attorney when it has reasonable cause to believe that a DCF employee is being threatened or harassed or has been assaulted by a client or coworker. The law already allows DCF to disclose such records to a law enforcement officer or state's attorney if there is reasonable cause to believe that a child or youth is being, or is at risk of being, abused or neglected due to a person's suspected criminal activity.

Record Disclosures to DSS

The act conforms the law to DCF's current practice of disclosing records to DSS to promote the health, safety, and welfare of a child or youth receiving services from either department. Prior law did not specify that the record disclosures were limited to those of children and youths receiving services from DCF or DSS. The law, unchanged by the act, already requires disclosure to DSS to (1) determine a person's suitability for payment from DSS for providing child care or (2) investigate fraud allegations, if no identifying information about the record's subject is disclosed unless necessary.

§ 2 — DSS INFORMATION DISCLOSURES

Prior law allowed DSS, under narrow circumstances, to disclose information about people who apply for or receive department assistance or participate in a department program. The act expands those circumstances to include disclosure to DCF about a child receiving DSS services or the child's immediate family if the DCF commissioner requires access to the federal Parent Locator Service (FPLS) to identify a child's parent or putative parent. (The FPLS is a computerized, national network that obtains address and employer information as well as data on people who owe child support in every state.) The law requires DSS to make such a disclosure to DCF in order for DCF to target services for the family if the DCF or DSS commissioner determines that the child's health, safety, or welfare is in imminent danger.

§§ 3-5 — TRAFFICKING VICTIMS

DCF Services

The act allows the DCF commissioner to provide:

1. child welfare services for any minor child (under age 18) residing in the state who the department identifies as a trafficking victim (see BACKGROUND) and
2. appropriate services to a minor child residing in the state who DCF reasonably believes may

be a trafficking victim.

The act also allows DCF, within available appropriations, to provide training to law enforcement officials about the trafficking of minor children. The training must include:

1. awareness and compliance with the laws and protocols concerning trafficking of minor children;
2. service identification, access, and provision for minor children who are trafficking victims; and
3. any other services DCF considers necessary to carry out the act's provisions regarding child trafficking and the law's provisions regarding multidisciplinary teams.

Multidisciplinary Teams

The act expands the purposes for which DCF and the appropriate state's attorney may establish multidisciplinary teams to include reviewing cases involving the trafficking of a minor child. The law already allows DCF and a state's attorney to establish such teams to (1) review particular cases or types of cases; (2) coordinate prevention, intervention, and treatment in each judicial district; or (3) review selected child abuse or neglect cases.

"Uncared for" Finding

The act broadens the category of children or youths a court may find to be "uncared for" to include a child or youth identified as a trafficking victim (see BACKGROUND).

§ 6 — MANDATED REPORTERS

The act expands the mandated reporter list to include any paid youth camp director or assistant director and any person age 18 or older who is a paid (1) youth athletics coach or director; (2) private youth sports organization, league, or team coach or director; or (3) administrator, faculty, or staff member, athletic coach, director, or trainer employed by a public or private higher education institution, excluding student employees.

It also adds to the list anyone age 18 or older who coaches intramural or interscholastic athletics and holds or is issued an SBE coaching permit. (In practice, most of these individuals are school employees and, as such, are already mandated reporters.)

§ 7 — INVESTIGATIONS OF ABUSE AND NEGLECT BY CERTAIN EMPLOYEES AND STAFF MEMBERS

The act changes some of the procedural aspects for suspending certain types of employees suspected of

child abuse and neglect. The requirements vary depending on whether the employee works for a (1) public school or (2) private school or public or private child care facility or institution.

Public School Employees

The act requires the DCF commissioner, within five days after investigating any school employee's alleged child abuse or neglect, to notify the superintendent and the education commissioner of the investigation's results and provide records to both. Under prior law, the DCF commissioner had to notify and provide investigation results and records to the superintendent and the commissioner if she (1) reasonably believed, based on the investigation, that the employee had abused or neglected a child and (2) recommended that the employee be placed on the DCF child abuse and neglect registry. She had to provide the notice within five days of making such a finding. Prior law applied only if the employee was entrusted with the care of a child and held an SBE-issued certificate, permit, or authorization.

Under prior law, the superintendent had to suspend the employee if the DCF commissioner (1) reasonably believed, based on the investigation results, that a child had been abused or neglected or (2) recommended that the employee be placed on the child abuse and neglect registry. Under the act, the superintendent must suspend the employee only if both circumstances are met.

Private School and Public and Private Child-Care Facility and Institution Employees

The act (1) imposes a deadline by which DCF must report the results of an abuse or neglect investigation of an employee of a private school or a public or private child care facility or institution and (2) eliminates the five-day period in which the school, facility, or institution must, based on the commissioner's findings and recommendations, suspend the staff member.

Under the act, the DCF commissioner, within five days after investigating a report that an employee abused or neglected a child, must report the investigation results to his or her employer or employer's designee. Prior law did not require DCF to report its investigation results to the facility, institution, or school unless the commissioner (1) reasonably believed, based on the investigation results, that a child had been abused or neglected by the staff member and (2) recommended that the staff member be placed on the child abuse and neglect registry.

By law, the school, institution, or facility must suspend the staff person within five days after the commissioner completes her investigation if she (1) reasonably believes, based on the investigation results,

that a staff member has abused or neglected a child and (2) recommends the staff member be placed on the child abuse and neglect registry.

BACKGROUND

Birth-to-Three Program

The Birth-to-Three program is designed to strengthen families' capacities to meet the developmental and health-related needs of their infants and toddlers who have developmental delays or disabilities. Eligible families work with service providers to develop Individualized Family Services Plans, with services starting within 45 days of the plan's completion. The plans are reviewed at least once every six months and rewritten at least annually.

The Department of Developmental Services is the state's lead agency for the Birth-to-Three program, but families may get referrals from it to other state agencies' programs, depending on the number and type of disabilities a child has.

Mandated Reporters

By law, mandated reporters include:

1. licensed physicians or surgeons, resident physicians or interns working in Connecticut hospitals, registered or licensed practical nurses, and mental health professionals or physician assistants;
2. medical examiners;
3. dentists and dental hygienists;
4. psychologists;
5. school employees;
6. social workers;
7. police officers;
8. juvenile and adult probation and parole officers;
9. clergy members;
10. pharmacists;
11. physical therapists;
12. optometrists, chiropractors, and podiatrists;
13. licensed or certified emergency medical services providers;
14. licensed or certified alcohol and drug counselors, licensed marital or family therapists, licensed professional counselors, and sexual assault and domestic violence counselors;
15. licensed foster parents;
16. people paid to care for children in a public or private facility, child day care center, group day care center, group day care home, or family day care home licensed by the state;
17. DCF employees;

18. DPH employees responsible for licensing child day care centers, group day care homes, family day care homes, or youth camps;
19. the child advocate and her employees; and
20. Judicial Branch employees working as family relations counselors, counselor trainees, and family services supervisors (CGS § 17a-101).

Trafficking

By law, “trafficking” means all acts involved in recruiting, abducting, transporting, harboring, transferring, selling, or receiving people, within national or across international borders, through force, coercion, fraud, or deception, to place them in (1) slavery or slavery-like conditions; (2) forced labor or services, such as forced prostitution or sexual services; (3) domestic servitude; (4) bonded sweatshop labor; or (5) other debt bondage (CGS § 46a-170).

Uncared For

By law, a child or youth may be found to be “uncared for” if he or she is homeless or if his or her home cannot provide the specialized care that his or her physical, emotional, or mental condition requires (CGS § 46b-120).

When a court finds that a child is uncared for, it may:

1. commit the child to DCF,
2. vest the child’s legal guardianship in a private or public agency permitted to care for abused children or another person the court finds suitable and worthy, or
3. place the child in the custody of a parent or guardians with DCF protective supervision (CGS § 46b-129).

PA 14-196—sSB 203

Committee on Children

Education Committee

Appropriations Committee

AN ACT CONCERNING A STATE-WIDE SEXUAL ABUSE AND ASSAULT AWARENESS PROGRAM

SUMMARY: This act requires, by July 1, 2015, the Department of Children and Families, together with the Department of Education and Connecticut Sexual Assault Crisis Services, Inc., or a similar organization, to identify or develop a statewide sexual abuse and assault awareness and prevention program for use by regional and local school boards. The school boards must implement the program by October 1, 2015.

EFFECTIVE DATE: July 1, 2014

SEXUAL ABUSE AND ASSAULT AWARENESS PROGRAM

The program must include:

1. instructional modules for teachers,
2. age-appropriate educational materials for students in grades kindergarten through 12, and
3. a uniform child sexual abuse and assault response policy and reporting procedure.

Under the act, the instructional modules may include (1) training on preventing, identifying, and responding to child sexual abuse and assault and (2) resources to further student, teacher, and parental awareness of such abuse and assault and its prevention.

The age-appropriate materials for students may include skills in recognizing (1) child sexual abuse and assault, (2) boundary violations and unwanted forms of touching and contact, and (3) ways offenders groom or desensitize victims. It also may include strategies to (1) promote disclosure, (2) reduce self-blame, and (3) mobilize bystanders.

The response policy and reporting procedure may include:

1. actions child victims may take to get help,
2. intervention and counseling options for these victims,
3. access to educational resources to help victims succeed in school, and
4. uniform procedures for reporting instances of child sexual abuse and assault to school staff.

Exemptions from Program

The act allows students to opt out of the program or any part of it if the student’s parent or legal guardian so notifies the school board in writing. School boards must provide exempt students with opportunities for study or schoolwork when the student would otherwise be participating in the program.

PA 14-69—sSB 232
Commerce Committee
Finance, Revenue and Bonding Committee

**AN ACT CONCERNING THE
 MANUFACTURING REINVESTMENT
 ACCOUNT PROGRAM**

SUMMARY: This act expands the tax break for eligible manufacturers that establish a Manufacturing Reinvestment Account (MRA) and withdraw funds for a range of qualifying purposes. It does so by exempting from corporation and personal income taxes 100%, rather than 50%, of any withdrawal from an MRA used for qualifying purposes.

The act also (1) reduces, from 100 to 50, the number of manufacturers that can participate in the MRA program and (2) increases, from 50 to 150, the maximum number of employees a manufacturer may have to be eligible for the program.

The MRA program is designed to help small manufacturers fund capital investments and train their workers. Under the program, an approved Connecticut manufacturer may establish an MRA in a Connecticut bank and deposit up to \$100,000 annually for up to five years. Taxes are deferred until funds are withdrawn, and participating manufacturers receive a tax break if they use the funds for qualifying purposes, such as purchasing equipment for in-state facilities, training employees, or expanding facilities. By law, manufacturers receive no tax break on (1) MRA withdrawals used for non-qualifying purposes or (2) the funds remaining in an MRA after the five-year period expires.

EFFECTIVE DATE: July 1, 2014, and applicable to income and taxable years starting on or after January 1, 2014.

PA 14-79—HB 5407
Commerce Committee

**AN ACT CONCERNING MINOR AND
 TECHNICAL CHANGES TO COMMERCE-
 RELATED STATUTES**

SUMMARY: This act makes technical changes in the statutes governing Connecticut Innovations, Inc. (CII), the state’s quasi-public economic development agency.
EFFECTIVE DATE: Upon passage, except for the changes to the statutes specifying CII’s general powers, which take effect January 1, 2015.

PA 14-85—HB 5518
Commerce Committee

**AN ACT CONCERNING THE LIABILITIES OF
 APPLICANTS FOR STATE FINANCIAL
 ASSISTANCE**

SUMMARY: This act requires the Department of Economic and Community Development and Connecticut Innovations, Inc., when determining whether to grant economic development financial assistance, to consider if the applicant or any of the applicant’s principals (1) is being sued in civil court for a debt or (2) owes any unpaid taxes to the state or a municipality. “Economic development financial assistance” means any grant, loan, loan guarantee, or urban and industrial sites reinvestment tax credits provided to a business for economic development purposes.

EFFECTIVE DATE: October 1, 2014

PA 14-88—sHB 5573
Commerce Committee

**AN ACT CONCERNING BROWNFIELD
 REMEDIATION AND DEVELOPMENT**

SUMMARY: This act gives property owners investigating and remediating contaminated property more options for complying with the Department of Energy and Environmental Protection’s (DEEP) requirements for completing these tasks. It allows those participating in DEEP’s Voluntary Remediation Program to submit interim verifications. Such verifications signify that a property was remediated according to DEEP standards, except for groundwater undergoing long-term remediation and monitoring. The act also allows participants to submit interim or final verifications for part of a property instead of waiting until the entire property is remediated.

By law, property owners may begin to investigate and remediate a property under the Voluntary Program before they decide to transfer or convey it, a decision that subjects them to Transfer Act deadlines for investigating and remediating the contamination. The act gives property owners who do not participate in the Voluntary Program more latitude in performing these tasks under the Transfer Act. It allows the property owner or the party that agrees to certify the property’s remediation to submit an interim instead of a final verification. It also provides a brief period during which the certifying party may delay recording in the land records restrictions on how the remediated site may be used.

The act exempts more property from the Transfer Act. By law, a property, or a business operating on it, is subject to the act if it generated more than 100 kilograms (220 pounds) of hazardous waste in any month. The act excludes the amount of removed or abated building materials, such as asbestos, when calculating the amount of generated waste. Waste generated by soil, groundwater, or sediment remediation is already excluded.

The act also exempts property municipalities take by eminent domain under any statute, not just those authorizing takings for redevelopment purposes, and further exempts these sites from the Transfer Act when a municipality conveys the site to another party, as existing law allows for sites taken under the redevelopment statutes.

Lastly, the act allows the Department of Economic and Community Development (DECD) commissioner to forgive or delay repayments of brownfield loans made to private developers, not just municipalities and regional entities, as existing law allows.

EFFECTIVE DATE: Upon passage

INTERIM AND PARTIAL VERIFICATIONS

Voluntary Remediation Program

The act gives the parties responsible for determining a property's environmental condition and certifying its remediation (certifying parties) more latitude when doing so under DEEP's Voluntary Remediation Program. The program allows the certifying parties to investigate and remediate the property before its owner decides to transfer or convey it. Participating in the program allows the certifying parties to complete these tasks on their own schedule and use the results to verify the property's remediation when they are ready to transfer or convey it. The alternative is to perform them after the owner decides to transfer or convey the property, at which point they must comply with Transfer Act deadlines.

Certifying parties participating in the Voluntary Program must retain a licensed environmental professional (LEP) to verify that the property was investigated and remediated according to DEEP standards (unless the DEEP commissioner notifies them that he must review and approve these tasks). Prior law allowed the LEP to verify that the entire property or the release area was investigated according to those standards. (The release area is that part of a property where hazardous waste was discharged, spilled, or released.) The act explicitly allows the (1) property or release area to be investigated and remediated in sections and (2) LEP to verify that each section was investigated and remediated according to DEEP standards, instead of waiting until the entire property or

release area has been remediated.

If there is contaminated groundwater beneath the property, the act also allows the LEP to verify that the property, part of the property, or the release area, was investigated and remediated if the contaminated groundwater is undergoing long-term remediation and monitoring (interim verification). The LEP may do so by submitting his or her written opinion on a DEEP form indicating that:

1. the investigation was performed according to the prevailing DEEP standards and guidelines;
2. the remediation was completed according to DEEP's remediation standards, except for the groundwater;
3. the groundwater is undergoing remediation, but has not been remediated to the applicable groundwater remediation standards; and
4. exposed pathways to the groundwater area meet DEEP's remediation standards.

The written opinion must identify how the groundwater will be remediated, indicate how long it will take to remediate it, and describe what needs to be done for remediation. (These criteria are the same as those for interim verification under the Transfer Act.)

Conveyance Under the Transfer Act

The act also provides latitude to the parties that do not participate in the Voluntary Program and consequently must investigate and remediate a property under Transfer Act deadlines. Prior law allowed them to convey or transfer all or part of the property only after the certifying party certified that it was investigated and remediated to DEEP standards (final verification).

The act allows the certifying party to convey or transfer all or part of the property after completing an interim verification. It allows them to do so regardless of when they submitted the forms to DEEP under the Transfer Act. The forms generally indicate the property's environmental status, describe the remediation plan, or certify that the property's remediation is according to DEEP standards.

In allowing parties to submit interim verifications, the act implicitly requires them to record an environmental land use restriction (ELUR) in local land records when they submit these verifications to DEEP. (ELURs restrict how a remediated property can be redeveloped.) But it also creates an eight-month window in which an owner may delay recording an ELUR.

Under the act, a party that submits the interim verification for a property on or before December 31, 2014 does not have to record an ELUR until September 1, 2015. When it records the ELUR, it must do so as existing law requires. If the party fails to meet the September 1 deadline, its failure to do so invalidates the interim verification, and the DEEP commissioner

cannot recognize it.

The commissioner may audit interim verifications under the same conditions as he may audit final verifications under the law.

MODIFYING BROWNFIELD LOAN REPAYMENT TERMS

The act allows the DECD commissioner to modify the terms and conditions of brownfield remediation loans made to private developers, not just those made to municipalities, economic development agencies, regional development agencies, and regional planning organizations, as the law already allowed. Prior law allowed her to delay or forgive principal, interest, or principal and interest payments if she determined that it was in the state's best interest to do so. The act allows her to take these steps if she determines that it is in the state's best interest from an economic or community development perspective.

PA 14-128—sHB 5269

Commerce Committee

Labor and Public Employees Committee

AN ACT CREATING PARITY BETWEEN PAID SICK LEAVE BENEFITS AND OTHER EMPLOYER-PROVIDED BENEFITS

SUMMARY: This act changes the method for determining if a nonmanufacturing business must provide paid sick leave to certain employees. Under prior law, it had to provide the leave if it employed 50 or more people in Connecticut during any of the previous year's quarters. It had to determine if it exceeded this threshold by January 1 annually based on the quarterly reports it submits to the labor commissioner. Under the act, the business must determine if it meets the annual 50-employee threshold based on the number of employees on its payroll for the week containing October 1.

The act also prohibits the business from firing, dismissing, or transferring an employee from one job site to another to come under the 50-employee threshold. Workers aggrieved by such practices may file a complaint with the labor commissioner, as the law allows.

The act changes the timeframe for accruing paid sick leave. Under prior law, employees accrued one hour of sick leave for every 40 hours worked per calendar year. Under the act, they accrue one hour of paid sick leave for every 40 hours worked during whatever 365-day year the business uses to calculate employee benefits. This allows the employer to start the benefit year on any date, rather than only on January 1.

The act makes conforming changes.

Additionally, the act extends to radiologic technologists the same right to paid sick leave the law already grants to other service workers in specified occupational categories. As under the law for other covered service workers, eligible radiologic technicians must:

1. work for a covered employer;
2. be paid on an hourly basis or subject to the federal Fair Labor Standards Act's minimum wage and overtime requirements (which generally cover hourly wage employees, but not salaried managers and professionals); and
3. follow the law's requirements for accruing and using the leave.

EFFECTIVE DATE: January 1, 2015

PA 14-129—HB 5273

Commerce Committee

AN ACT RESTORING THE COMMISSIONER OF ECONOMIC AND COMMUNITY DEVELOPMENT'S DUTY TO DETERMINE WHETHER SURPLUS STATE PROPERTY CAN BE USED FOR ECONOMIC DEVELOPMENT PURPOSES

SUMMARY: This act requires the economic and community development commissioner, instead of the housing commissioner, to notify the Office of Policy and Management secretary if certain surplus state property can be (1) used or adapted for economic development or (2) exchanged for property that can be used for that purpose.

By law, the secretary must notify all state agencies when an agency informs him it no longer needs a property it controls. The law requires specified commissioners to determine and notify the secretary if the property can be used for certain purposes related to their agency's mission. Commissioners who determine they can use the property must submit a plan describing the proposed use for the secretary's review (CGS § 4b-21).

The act also makes technical changes.

EFFECTIVE DATE: Upon passage

PA 14-171—sSB 75 (VETOED)*Commerce Committee**Finance, Revenue and Bonding Committee***AN ACT INCREASING THE CAP ON THE
NEIGHBORHOOD ASSISTANCE ACT TAX
CREDIT PROGRAM**

SUMMARY: This act raises, from \$5 million to \$10 million, the annual cap on Neighborhood Assistance Act (NAA) tax credits available for businesses contributing to or investing in municipally approved community projects and programs. The Department of Revenue Services, which administers the credits, must continue to award, as the law requires, \$3 million in NAA credits to businesses contributing funds specifically for energy conservation projects, job training programs, and programs benefiting low-income people.

EFFECTIVE DATE: July 1, 2014

BACKGROUND*NAA*

By law, the NAA program provides business tax credits to businesses that contribute or invest at least \$250 in certain municipally approved community activities and programs. The credits are generally 60% of the contribution or investment; certain energy conservation-related investments are eligible for a 100% credit. But a business can annually receive a credit of up to (1) \$50,000 per year for investing in childcare facilities and (2) \$150,000 for all NAA-eligible contributions or investments (CGS § 12-630aa et seq.).

Related Act

PA 14-227 extends NAA credits to businesses investing in certain comprehensive college access loan forgiveness programs located in designated areas.

PA 14-38—HB 5559
Education Committee

**AN ACT CONCERNING THE
 RECOMMENDATIONS OF THE UNIFORM
 REGIONAL SCHOOL CALENDAR TASK
 FORCE, LICENSURE EXEMPTIONS FOR
 CERTAIN AFTER SCHOOL PROGRAMS AND
 EXPANDING OPPORTUNITIES UNDER THE
 SUBSIDIZED TRAINING AND EMPLOYMENT
 PROGRAM**

SUMMARY: This act delays for one year, from the school year starting July 1, 2015 to the school year starting July 1, 2016, the requirement that each local or regional board of education adopt a uniform regional school calendar developed and approved by the regional education service center (RESC) for that board. By law, each RESC must develop a uniform school calendar by April 1, 2014 to be used by each board in the RESC’s service region, and the calendar must be consistent with the guidelines developed under PA 13-247 (see BACKGROUND).

Furthermore, the act gives a school board an additional year, until the school year starting July 1, 2017, to implement the uniform calendar if it has an existing employee contract that makes it impossible to implement the uniform regional school calendar. (Some contracts include specific vacation periods or professional development dates.)

The act expands the Subsidized Training and Employment Program (STEP) by creating a new apprenticeship program to provide grants for small businesses and manufacturers to hire high school and college students.

The act expands an existing child day care service licensing exemption to apply to any day care service that a municipal agency or department administers rather than only those located in a public school building.

It also makes conforming changes.
EFFECTIVE DATE: Upon passage for the uniform calendar portion and July 1, 2014 for the new apprentice program and the licensing exemption.

STEP NEW APPRENTICE PROGRAM

The act creates a new apprentice grant program under STEP to provide grants for small businesses and manufacturers to hire high school and college students. Under STEP, the Department of Labor (DOL) provides grants to small businesses to help offset the cost of hiring people who were previously unemployed.

Under the act a “new apprentice” is a student at a public or private high school, preparatory school, or institution of higher education. It does not include a

person employed (1) in Connecticut by a relative at an eligible small business during the previous 12 months or (2) on a temporary or seasonal basis by a retailer that sells goods primarily used for personal, family, or household purposes.

An eligible small business or manufacturer may apply to DOL for a grant to subsidize on-the-job training for a new apprentice. To be eligible, a small business must (1) employ 100 or fewer full-time employees on at least 50% of its working days in the previous 12 months, (2) have operations and be registered in the state, and (3) be in good standing for all state and local taxes. An eligible small manufacturer means a business classified as a manufacturer under the North American Industry Classification System that employs 100 or fewer workers on at least 50% of its working days during the preceding 12 months.

Grant Schedule

The act creates a grant schedule, with a maximum of \$10 per hour for any apprentice, for eligible small businesses or manufacturers, as shown in Table 1.

Table 1: New Apprentice Subsidy Schedule

| <i>Calendar Days Employed</i> | <i>Grant Amount as Percent of Employee’s Training and Compensation</i> |
|------------------------------------|--|
| Up to 30 days | 100%* |
| 31 to 90 | 75%* |
| 91 to 150 | 50%* |
| 151 to 180 | 25%* |
| *Up to a maximum of \$10 per hour. | |

Grants are cancelled when the new apprentice leaves his or her apprenticeship with the eligible small business or manufacturer.

BACKGROUND

Uniform Regional School Calendar Task Force and Guidelines

A 2013 law established a task force to develop regional uniform school calendar guidelines that require:

1. at least 180 days of sessions in a school year (as required by law);
2. a uniform start date;
3. uniform days for statutorily required professional development and in-service training for certified employees; and
4. up to three uniform school vacation periods during each school year, of which up to two must be one-week vacations and one must be during the summer (PA 13-247, § 321).

The task force completed its report and guidelines in January 2014. The guidelines include:

1. a common start date for students of the last Wednesday in August, with a three-day flexible window before or after that Wednesday;
2. Election Day in November as a professional development day when no students attend school; and
3. five flexible days for individual district needs.

RESCs

Each of the six RESCs in the state serves a different geographical region. The RESCs provide various services to local and regional boards of education.

PA 14-39—sHB 5562

Education Committee
Appropriations Committee

AN ACT ESTABLISHING THE OFFICE OF EARLY CHILDHOOD, EXPANDING OPPORTUNITIES FOR EARLY CHILDHOOD EDUCATION AND CONCERNING DYSLEXIA AND SPECIAL EDUCATION

SUMMARY: This act creates the Office of Early Childhood (OEC) and designates it as the lead agency for the early care and education of young children. Previously, this office existed under the 2013 budget act (PA 13-184) and Executive Order No. 35 (June 24, 2013). The act creates the office in statute with all the powers and authority of a state department.

The act makes OEC responsible for administering the early childhood programs previously administered by the departments of Education (SDE), Social Services (DSS), and Public Health (DPH), including:

1. school readiness;
2. the Children's Trust Fund;
3. Connecticut Charts-a-Course;
4. state and federally funded child day care subsidies;
5. child day care services management, evaluation, and professional development;
6. child day care facilities licensing and inspection; and
7. youth camp oversight.

For some programs, the act designates OEC as the lead agency, entirely replacing the prior administrative agency; for others, OEC must consult with the prior administrative agency before taking action. It also reassigns various funds, grants, and loans to OEC oversight.

The act makes several changes to school readiness program funding, which the state provides through various grants that allow towns to purchase seats for three- to five-year olds who are too young to attend kindergarten (see BACKGROUND). It expands the school readiness program by requiring OEC to expand the competitive grant for school readiness spaces under existing law and create a new school readiness grant to enable eligible towns and regional school readiness councils to (1) start new school readiness classrooms and (2) provide spaces to eligible children in school readiness programs that are accredited or seeking accreditation.

It also makes a number of additional substantive changes. Among other things, the act:

1. requires OEC to make more frequent unannounced visits to all licensed day care centers, group day care homes, and family day care homes;
2. makes changes to the school readiness staff qualification law;
3. makes all DPH employees mandated reporters for child abuse and neglect;
4. eliminates DSS's authority to accept gifts and donations; and
5. changes the organization and membership of certain councils, committees, and cabinets.

The act creates the position of OEC commissioner, who directs the office and serves at the pleasure of the governor. It eliminates the coordinated system of early care and education and child development ("coordinated system") and the position of planning director, precursors to OEC and its commissioner, and incorporates the coordinated system's goals and duties into enumerated OEC duties (see BACKGROUND).

The act also requires that (1) dyslexia be added to the special education individualized education program (IEP) form as a separate category and (2) instruction in dyslexia be added to teacher preparation programs that lead to professional teacher certification. It requires boards of education to notify parents or guardians of preschool special education students who reach age five or six of their legal right to hold the child back from entering kindergarten for a year.

The act also makes many minor, conforming, and technical changes and deletes several obsolete deadlines and statutes.

EFFECTIVE DATE: July 1, 2014, except for sections relating to OEC organization, leadership, and responsibilities (§§ 4-6); the early childhood information system (§ 7); the early childhood accountability plan (§ 8); OEC financial support for Connecticut Health and Educational Facilities Authority (CHEFA) day care center loan recipients (§ 68); Teachers Retirement System (TRS) changes for OEC employees (§§ 71-73); the preschool experience survey

creation (§ 86); and adding dyslexia to the IEP form (§ 1) and notification of parental rights (§ 3), which are effective upon passage.

§§ 4 & 5 — OFFICE ORGANIZATION, LEADERSHIP, AND RESPONSIBILITIES

The act designates OEC as the successor department to SDE, DSS, and DPH for the administration of certain programs, funds, and cabinets detailed in subsequent sections. The office is led by a commissioner, appointed by the governor and confirmed by the legislature. The act places OEC in SDE for administrative purposes only.

The act shifts to OEC most of the tasks prior law gave to the coordinated system and the planning director. Table 1 lists OEC responsibilities and shows which ones existed under prior law and which are new under the act. The act allows OEC to enter into memoranda of agreement (MOAs) with, and accept donations from, nonprofit and philanthropic organizations to accomplish these duties.

Table 1: OEC Responsibilities

| |
|---|
| Services |
| <i>New Responsibilities Under the Act</i> |
| <ul style="list-style-type: none"> Coordinating home visitation services across programs for young children |
| <i>Transferred Responsibilities</i> |
| <ul style="list-style-type: none"> Delivering services to children and their families Providing information and technical assistance to individuals seeking programs and services Assisting state agencies and municipalities in obtaining federal funding for programs and services Providing technical assistance to program and service providers in obtaining licensing and improving program quality Maintaining an accreditation initiative to assist program and service providers in achieving national standards and program improvement Providing families with choice in services, including quality child care and community-based, family-centered services Performing any other activities that will assist in providing early care and education and child development programs and services Integrating early childhood care and education and special education services |
| Systems and Plans |
| <i>New Responsibilities Under the Act</i> |
| <ul style="list-style-type: none"> Developing and implementing an early childhood information system Developing and reporting on the early childhood accountability plan the act establishes |
| <i>Transferred Responsibilities</i> |
| <ul style="list-style-type: none"> Establishing a quality rating and improvement system that covers home-based, center-based, and school-based |

| |
|---|
| <ul style="list-style-type: none"> early child care and learning Ensuring a coordinated and comprehensive statewide professional development system for program and service providers and staff Developing early learning and development standards for early care and education providers to use |
| Evaluation |
| <i>New Responsibilities Under the Act</i> |
| <ul style="list-style-type: none"> By September 1, 2014, beginning a statewide longitudinal evaluation of school readiness programs to examine children's educational progress from preschool through grade four Developing and implementing a performance-based evaluation system to evaluate licensed child day care centers |
| <i>Transferred Responsibilities</i> |
| <ul style="list-style-type: none"> Developing and implementing a statewide, developmentally appropriate assessment tool that measures kindergarten preparedness (this cannot be used to measure program accountability) Monitoring and evaluating all early care and education and child development programs and services, focusing on program outcomes while retaining distinct separation between quality improvement services and child day care licensing services |
| Data Collection |
| <i>New Responsibilities Under the Act</i> |
| <ul style="list-style-type: none"> Creating a unified set of reporting requirements to collect data for quality assessments and longitudinal analysis Comparing and analyzing such data with the data collected in the statewide public school information system (PSIS) (see BACKGROUND) for population-level analysis of children and families |
| Communication |
| <i>New Responsibilities Under the Act</i> |
| <ul style="list-style-type: none"> Implementing a communications strategy for outreach to families, service providers, and policymakers |
| <i>Transferred Responsibilities</i> |
| <ul style="list-style-type: none"> Promoting universal access to early childhood care and education |
| Collaboration |
| <i>Transferred Responsibilities</i> |
| <ul style="list-style-type: none"> Developing, coordinating, and supporting public and private partnerships to aid early childhood initiatives Consulting with the Early Childhood Cabinet and the Head Start Advisory Committee Ensuring non-duplication of monitoring and evaluation (does not specify whether this pertains to programs/services or providers/staff) |

§ 6 — EARLY CHILDHOOD COUNCILS

The act requires OEC, rather than the coordinated system, to work with local and regional early childhood education councils to implement local early childhood programs. By law, these councils must, among other things, plan policies and programs, encourage parental

involvement, and perform other functions that help early childhood programs and services.

§ 7 — EARLY CHILDHOOD INFORMATION SYSTEM

The act requires OEC to develop and implement an early childhood information system for data-sharing among early childhood service providers. The information system must track, in a manner similar to PSIS, the health, safety, and school readiness of all young children receiving early care and education services from any (1) public school board, (2) school readiness program, or (3) publicly funded program. The system must also track (1) the characteristics of (a) such programs and (b) the existing and potential workforce serving these children and (2) the data collected, if any, from the preschool experience survey.

The act also requires local and regional school boards, school readiness programs receiving public funding, and child day care centers licensed by DPH or OEC to enter the information on all children and staff into the early childhood information system.

§ 8 — EARLY CHILDHOOD ACCOUNTABILITY PLAN

The act requires OEC to develop, in consultation with the Early Childhood Cabinet, an early childhood accountability plan by December 31, 2015. The plan must:

1. identify and define population indicators and program and system performance measures of the health, safety, and readiness of children to enter kindergarten;
2. identify and define early school success of children;
3. identify any new or improved data for these purposes; and
4. include aggregate information on characteristics of children and programs tracked by the early childhood information system, including family income, receipt of public assistance, if any, and residential communities.

Aggregate child and program data used in the plan must be organized using a performance measurement accountability framework. OEC must use the kindergarten readiness indicators and performance measures to develop annual report cards on the results of the early childhood accountability plan by July 1, 2015. OEC must submit the plan by January 15, 2016 to the Education and Appropriations committees and annually report to these committees on the plan results and report cards.

§§ 9 & 65— KINDERGARTEN ENTRANCE AGE

The act requires OEC, in consultation with SDE, to develop a plan for:

1. changing the date, from January 1 to October 1 of any school year, by which a child must reach age five in order to be eligible for kindergarten enrollment and
2. creating school readiness programs and public and private pre-kindergarten spaces for those children who do not turn age five by October 1 of any school year and are ineligible for kindergarten enrollment.

The act eliminates prior law's requirement that the Achievement Gap Task Force perform this function. OEC must submit the plan to the Education Committee by June 30, 2015.

§§ 13-14 & 17 — SDE PROGRAMS TRANSFERRED TO OEC

The act transfers, from SDE to OEC, oversight of the school readiness program, which provides funding to increase the number of full-day, full-year spaces in accredited programs for children ages three to five who are not old enough to enroll in public school. Under the act, the programs' content remains generally the same, except as noted below.

Under prior law, the programs used standards that the State Board of Education (SBE) established. The act instead requires them to follow early learning and development standards developed by OEC. OEC must, within available appropriations, train and assist early childhood providers in implementing the standards.

The act allows OEC, as SDE did under prior law, to retain up to \$198,200 in each of the next two fiscal years (FY 15 and 16) for program coordination, evaluation, and administration.

The act eliminates the requirement that school readiness programs use annual evaluation assessment measures SDE and DSS developed through an interagency agreement on the coordinated system of early care and education and child development.

DSS PROGRAMS TRANSFERRED TO OEC

§§ 25-28, 30-31, 35-37, 41-43, & 66— *Child Day Care Services Lead Agency Duties*

The act makes OEC the lead agency for child day care. As lead agency, OEC must, among other things:

1. inventory available day care services and funding sources;
2. train day care providers;
3. develop a coordinated professional development system;
4. adopt regulations for child day care services;

5. establish a performance-based evaluation system for licensed day care centers; and
6. within available appropriations, conduct a longitudinal study of the progress of children and their families during and after day care program participation.

OEC must report to the General Assembly (1) by January 1, 2015 on the implementation of the evaluation system and the longitudinal study and (2) annually thereafter on cumulative evaluation results.

The act eliminates the lead agency's duty to deliver ongoing training to child day care providers via videotaped workshops for broadcast on public access cable.

§ 25 — Connecticut Charts-a-Course

The act eliminates the requirement that DSS develop and implement a statewide coordinated training and professional development system for child day care and early childhood education providers and staff, commonly known as Connecticut Charts-a-Course. It instead directs OEC to develop Connecticut Charts-a-Course with the Early Childhood Cabinet.

§§ 32 & 41-43 — Federal and State Child Day Care Subsidies — Care 4 Kids

The act moves Care 4 Kids, which is partially funded by the federal Child Care Development Fund, to OEC. It requires the OEC commissioner to consult with the DSS commissioner to establish Care 4 Kids eligibility and program standards.

Beginning July 1, 2014, the act allows the OEC commissioner to make Care 4 Kids eligibility redeterminations on a six-month basis if, because of using an eight-month period, Care 4 Kids overpayments increased in comparison with the overpayments during the period between January 1, 2010 and December 31, 2010. Under prior law, the DSS commissioner had this authority.

The act also requires the OEC commissioner, by July 1, 2014 and annually thereafter, to report to the Human Services and Appropriations committees on Care 4 Kids eligibility redeterminations made on an eight-month basis. The report must analyze OEC's (1) overpayments of Care 4 Kids benefits and (2) administrative costs incurred as a result of eligibility redeterminations made on an eight-month basis.

The act makes a number of conforming changes to transfer other authority to the OEC commissioner regarding (1) health and safety standards for Care 4 Kids and (2) criminal history records checks for day care providers.

§ 66 — Care 4 Kids Statewide Fraud Early Detection

By law, the DSS commissioner is charged with developing a statewide fraud early detection system to investigate potentially fraudulent applications for social service programs including the Temporary Family Assistance Program, the Supplemental Nutrition Assistance Program, Medicaid, and Care 4 Kids. The act requires the DSS commissioner to consult with the OEC commissioner when developing the Care 4 Kids statewide fraud detection system.

§§ 44-46 — Children's Trust Fund

By law, the Children's Trust Fund supports (1) programs aimed at preventing child abuse and neglect and (2) family resource programs. The act transfers authority over the trust fund and related reporting requirements from DSS to OEC. It also assigns administration of the trust fund's abuse and neglect prevention programming to OEC, except for the Kinship Fund and Grandparents' Respite Fund, which remain with DSS and the probate court.

The act also authorizes continuity of orders, regulations, and contracts made by the Children's Trust Fund Council and DSS, the former trust fund authorities, once OEC assumes control of the fund.

§ 23 — Accepting Gifts on Behalf of the Children's Trust Fund and DSS

The act transfers, from DSS to OEC, the ability to accept bequests and gifts on behalf of the Children's Trust Fund. It also authorizes the OEC commissioner to accept bequests and gifts on behalf of OEC for (1) people who receive, or may potentially receive, OEC assistance and (2) former recipients of DSS assistance. In doing so, the act eliminates the DSS commissioner's ability to accept on behalf of DSS bequests and gifts for services for a person receiving assistance or services from DSS.

§§ 20-22 — Federal Child Care Development Fund and Collective Bargaining

The act requires OEC, rather than DSS, to (1) administer the federal block grant that provides much of the funding for the state's child care programs and (2) bargain with unions that represent family child care providers.

DPH PROGRAMS TRANSFERRED TO OEC

§§ 47-59 & 70 — Child Day Care Services' Licensing and Inspection

The act transfers, from DPH to OEC, day care licensing, inspection, regulation, investigation, and license revocation duties. These responsibilities relate to

child day care centers, group day care homes, and family day care homes. OEC must, among other things:

1. receive and collect license applications and fees,
2. require day care staff to submit to criminal history and child abuse records checks,
3. notify licensees in writing of new regulations OEC adopts within 60 days after their effective date, and
4. conduct joint investigations with the Department of Children and Families (DCF).

The act also requires OEC, rather than DPH, to inspect child day care centers, group day care homes, and family day care homes. OEC must:

1. make yearly unannounced visits, inspections, or investigations of all licensed day care centers and group day care homes, rather than biennial visits as required by state regulations; and
2. make yearly unannounced visits, inspections, or investigations of all, rather than one-third, of licensed family day care homes. (The act removes the requirement that these visits or inspections take place during customary business hours.)

The act also requires local health directors to inspect all licensed day care centers and group day care homes biennially (as required by existing state regulations).

§§ 75-83 — *Youth Camp Oversight*

The act transfers youth camp regulation duties from DPH to OEC. These duties include licensing, discipline, license revocation, annual inspection, investigation, and regulation promulgation. It requires OEC to verify the health, safety, and recordkeeping practices of camps before issuing or renewing youth camp licenses.

OEC also assumes DPH’s authority to accept federal grants or private funds for youth camps.

§ 74 — *OEC and DPH MOA*

The act permits OEC to enter into an MOA for FY 15 with DPH for assisting with, and sharing information regarding, (1) day care licensing and investigation and (2) records on (a) DSS participants in child care programs and youth camps and (b) DPH abuse and neglect investigations of licensed day care providers.

§§ 11-13, 16, 19, 27, 33-34, 38-40, & 68 —

TRANSFER OF GRANT AND LOAN PROGRAMS

The act transfers a number of SDE grant and loan programs to OEC (see Table 2). The majority of these programs’ substance and content remain the same, unless noted in the narrative following the table.

Table 2: SDE Grant and Loan Programs Transferred to OEC

| Act § | Grants / Loan Programs | Description |
|---------|--|--|
| 12 | Head Start Grant Program | <ul style="list-style-type: none"> • Federal child development grant program for nonprofit entities and boards of education in towns with children ages birth to five receiving temporary family assistance |
| 13 & 19 | Competitive school district grant for school readiness seats | <ul style="list-style-type: none"> • Grant program that allows competitive school districts to buy school readiness spaces in other districts |
| 16 | Transitional school district grants for school readiness seats | <ul style="list-style-type: none"> • State-funded grant program that provides spaces in school readiness programs for eligible children in transitional school districts |
| 33 | Subsidy program to purchase day care services | <ul style="list-style-type: none"> • Program permits OEC to buy, or provide subsidies to parents to buy, day care services from schools, centers, homes, family resource centers, Head Start programs, or boards of education • Gives grants to school readiness program providers to increase their day care services hours |
| 34 | Supplemental quality enhancement grants | <ul style="list-style-type: none"> • Awarded on a competitive basis to child day care and school readiness providers; may be used for various purposes |
| 38 | Child care facilities loan guarantee program | <ul style="list-style-type: none"> • Guarantees loans for expanding or developing child care and child development centers in the state • Allows OEC to enter into contracts with quasi-public agencies, banks, or nonprofits to administer the program; requires OEC to authorize all loan guarantees |
| 39 | Child care facilities direct revolving loan program | <ul style="list-style-type: none"> • Provides loans and loan guarantees for costs incurred with developing child care facilities • Allows OEC to enter into contracts with quasi-public agencies, banks, or nonprofits to administer the program; requires |

| Act § | Grants / Loan Programs | Description |
|-------|--|---|
| | | OEC to authorize all loan guarantees |
| 40 | Debt service reserve fund for Connecticut Health and Educational Facilities Authority (CHEFA)-financed child care facilities | <ul style="list-style-type: none"> Allows OEC to pay debt service on loans, as well as determine the terms and amounts of the debt service, from available appropriations of the treasurer designated for child care facility debt service |
| 68 | CHEFA loans for day care centers | <ul style="list-style-type: none"> Requires OEC, rather than SDE, to provide state financial assistance to day care centers that have received CHEFA loans through the Connecticut Child Care Facilities Program until the centers fully pay off their loans (see BACKGROUND). |

SUBSTANTIVE GRANT AND LOAN PROGRAM CHANGES

§ 13 — Competitive Grant Program Expansion

The act adds alliance district towns to the types of towns that are eligible to apply for competitive grants for school readiness spaces. This adds at least three towns to the pool of towns that may receive these grants. By law, an alliance district is one that is among the 30 lowest districts when ranked by district performance index, which measures academic performance derived from students’ weighted results on statewide mastery tests. Under existing law, priority school districts, former priority school districts, and the 50 towns that rank the lowest in town wealth when compared to all towns in Connecticut are also eligible. A priority school district has students with low standardized test scores and high levels of poverty; there are 15 such districts.

The act also allows competitive grant recipients to use the funds to purchase school readiness spaces in programs that are “seeking accreditation.” Prior law limited the funds to purchasing seats in accredited programs only. The act defines programs “seeking accreditation” as those (1) seeking accreditation from (a) the National Association for the Education of Young Children (NAEYC) or (b) a Head Start on-site program review instrument or a successor instrument pursuant to federal regulations or (2) attempting to meet criteria the early childhood commissioner establishes.

The act also changes the competitive grant amount for which a town or regional school readiness council may apply. Under prior law, the grant could not exceed

\$107,000 unless an applicant town had two or more priority schools in one district (see BACKGROUND). The act makes this amount a floor, rather than a ceiling, for all towns and councils that apply, including those towns with more than one priority school. It also requires the OEC commissioner, when awarding competitive grants, to give preference to towns that increase the number of school readiness spaces.

The act allows any town that receives a competitive grant to use it to prepare a facility and staff for school readiness program operation during the entire five-year grant term. Prior law allowed competitive grants to be used for such purposes only during the first three years of the grant term.

The act also allows the commissioner to use unexpended school readiness funds to develop a plan to provide universal access to school readiness spaces.

§ 14 – State Per-Pupil School Readiness Reimbursement

The act increases the state’s per-pupil cost reimbursement for school readiness programs from a maximum of \$8,346 to a maximum of \$8,670 beginning in FY 15.

§ 29 — Grants for Schools as Day Care Facilities

The act requires the SDE commissioner, instead of the DSS commissioner, to establish a program to provide grants to municipalities, local school boards, and child care providers to encourage the use of school facilities for before- and after-school child day care.

§ 85 — NEW SCHOOL READINESS GRANT

The act requires the OEC commissioner to establish a new grant program to enable eligible towns and regional school readiness councils to (1) start new school readiness classrooms and (2) provide spaces to eligible children in school readiness programs that are accredited or seeking accreditation. The commissioner determines the time and manner of application. The act does not specify any criteria for evaluating applications or programs after they receive a grant.

The act defines “eligible towns” as those that (1) contain a priority school or (2) are ranked among the 50 poorest in the state but whose school district is not a priority school district. It defines “eligible regional school readiness councils” as those composed of two or more towns or school districts that contain a priority school.

It defines “eligible children” as children ages three-to-five years who are too young to enroll in kindergarten but will attend a school readiness program and who live in:

1. an area served by a priority school or former priority school,

2. a town ranked among the 50 poorest but not in a priority school district,
3. a town formerly ranked among the 50 poorest but not in a priority school district, or
4. a town designated as an alliance district that is not a priority school district.

These are the same criteria for the existing competitive school readiness grant program. Towns benefitting from the new grant are also eligible for existing competitive readiness grants (see BACKGROUND).

PLANS TO INCREASE PRESCHOOL ACCESS AND PRESCHOOL SURVEY

§ 84 — School Readiness Universal Access Plan

The act requires the OEC commissioner to develop a plan to provide spaces in school readiness programs, either accredited or seeking accreditation, for all eligible children. The commissioner must submit the plan to the governor by January 1, 2015.

§§ 86-87 — Preschool Experience Survey

The act requires the OEC commissioner to develop a preschool survey, in consultation with SDE, by March 1, 2015. Local or regional boards of education may provide the survey to parents or guardians of children enrolling in kindergarten, along with required registration materials.

The board must use the survey to collect the following information:

1. whether the child has participated in a preschool program and
2. (a) if the child has participated in a preschool program, the nature, length, and setting of the program or (b) if the child has not, the reasons why.

For children who have not participated in a preschool program, the survey may ask about, among other topics:

1. financial difficulty,
2. lack of transportation,
3. parental choice regarding enrollment,
4. limitations related to available programs' hours of operation, and
5. any other barriers to participation.

The act prohibits local or regional boards of education from requiring a parent or guardian to complete the survey as a condition of the child's kindergarten enrollment.

The act also requires PSIS to include data collected from the preschool experience survey.

§ 14 – School Readiness Grant Ineligibility

The act prohibits OEC from providing funding to any local or regional board of education that is a school readiness provider and does not collect data using the preschool experience survey and include it in PSIS. The prohibition begins in the 2015-16 school year.

§ 18 — EARLY CHILDHOOD CABINET

The act assigns to the Early Childhood Cabinet (cabinet) the new duty of advising OEC, within available resources. This replaces a previous duty of coordinating services among state agencies to enhance the health, safety, and learning of children from birth to age nine. Among other things, the act moves the cabinet from SDE to OEC for administrative purposes only.

The act (1) increases the cabinet size, from 20 to 22 members, by adding two new gubernatorial appointees and (2) reconstitutes the cabinet, as shown in Table 3.

Table 3: Early Childhood Cabinet Membership

| <i>New Members</i> | <i>Appointing Authority</i> |
|---|------------------------------|
| OEC commissioner, or designee | n/a |
| Board of Regents for Higher Education (BOR) president, or designee | n/a |
| Member of school board in an alliance district town | House speaker |
| Parent of a child attending school in education reform district | House speaker |
| Representative of an early education and child care provider association | Senate president pro tempore |
| State philanthropic community representative | Governor |
| Connecticut State Employees Association representative | Governor |
| <i>Removed Members</i> | <i>Appointing Authority</i> |
| SDE representative responsible for programs required under the federal Individuals with Disabilities Education Act (IDEA) | SDE commissioner |
| Higher education institution representative | BOR president |
| House member | House speaker |
| Senate member | Senate president pro tempore |
| Parent of a child attending a priority school district | House speaker |
| <i>Retained Members</i> | <i>Appointing Authority</i> |
| Commissioners of SDE, DSS, DPH, DCF, Department of Development Services, or their respective designees | n/a |
| Commission on Children executive director, or designee | n/a |

| <i>New Members</i> | <i>Appointing Authority</i> |
|--|------------------------------|
| Connecticut Head Start State Collaboration Office project director | n/a |
| Parent of a child who attends or attended a school readiness program | House minority leader |
| Early childhood education local provider representative | Senate minority leader |
| Connecticut Family Resource Center Alliance representative | House majority leader |
| State-funded child day care center representative | Senate majority leader |
| Representative of a public elementary school with a pre-kindergarten program | Senate president pro tempore |
| Connecticut Head Start Association representative | Governor |
| State business community representative | Governor |
| Office of Policy and Management secretary, or designee | n/a |

Under the act, the governor appoints one co-chairperson from among the cabinet's members, rather than a single chairperson as under prior law. The OEC commissioner serves as the other co-chairperson. The cabinet must meet at least quarterly. The act requires cabinet members to serve without pay and deems them to have resigned if they miss at least half the meetings in a calendar year.

§ 13 — SCHOOL READINESS PROGRAM STAFF QUALIFICATIONS

The act transfers from SDE to OEC, authority over school readiness staff qualification requirements. By law, school readiness staff qualifications are set in three separate timeframes, with more advanced credentials required for each period. The timeframes are:

1. prior to July 1, 2015;
2. July 1, 2015 to June 30, 2020; and
3. on and after July 1, 2020.

Under prior law, educators could meet these requirements by, among other things, earning a degree or credential in certain programs from an institution (1) accredited by the BOR or the SBE and (2) regionally accredited. The act removes SBE from this requirement and replaces it with the Office of Higher Education (OHE). This change conforms to PA 13-118, which eliminated SBE's role in accrediting higher education institutions.

Until July 1, 2015, the law requires each school readiness classroom, to have an individual with (1) a childhood development credential, associate's degree, or bachelor's degree that includes 12 credits or more in early childhood education or child development or (2) a teaching certificate with an endorsement in early

childhood education or special education.

The act requires the OEC commissioner, instead of the education commissioner, to approve the credentialing organization.

The act changes who can determine what courses count toward the required child development credits. Under prior law, the BOR president, in consultation with the SDE and DSS commissioners determined what counted toward the 12 required early childhood or child development credits. The act instead requires the determination to be made by (1) the OEC commissioner alone or (2) the BOR president, in consultation with the OEC commissioner.

For the other two time periods (July 1, 2015 to June 30, 2020, and on and after July 1, 2020) with specific job qualification requirements, the act authorizes OEC to approve associate's degree and bachelor's degree early childhood programs with OHE and makes other changes to conform to PA 13-118.

Exceptions

The act allows all school readiness program employees employed on or before June 30, 2015 and meeting certain criteria to remain in their positions despite the new staff requirements that take effect on July 1, 2015. Under prior law, this ability applied to teachers only. Such "grandfathered" employees must hold a (1) bachelor's degree in early childhood education or child development or (2) bachelor's degree and at least 12 credits in early childhood education or child development. The act also removes the requirement that such school readiness program employees who leave one program to work at another submit documentation to SDE of progress toward meeting heightened staff requirements.

The act modifies an existing provision that permits an individual who holds a bachelor's degree to ask for a review of whether his or her degree has a sufficient concentration in early childhood education to satisfy staffing credential requirements that begin on July 1, 2015. Under the act, the:

1. review is conducted by OEC rather than SDE;
2. individual must hold a bachelor's degree in early childhood education or child development or a bachelor's degree and at least 12 credits in early childhood education or child development but not from an institution granted approval and accreditation from OEC, OHE, or BOR; and
3. review determines whether the individual meets the requirements for those holding a bachelor's degree that start on July 1, 2015, rather than the earlier requirements. Under prior law, a person with any non-early childhood bachelor's degree could seek such a

review.

Use of Unexpended Funds

The act transfers to the OEC commissioner the authority to use up to \$500,000 of any unexpended priority school district school readiness funds, if available, to provide professional development to state-funded early childhood program providers and staff members. It removes the requirement that the funds only be used for a professional development program offered through the Connecticut State University System.

By law, the funds provide up to \$5,000 per year to assist individual early childhood program staff members who are attending a college or university course leading to a bachelor's degree to satisfy school readiness staff qualifications. The act (1) suspends this authority until July 1, 2015 and (2) allows funds to be used to support associate's degree coursework from July 1, 2015 to December 31, 2015.

The act allows the money to also be used for staff receiving noncredit, competency-based training approved by OEC up to \$1,000 per staff member per year. It removes the requirement that priority be given to staff members attending in-state public and private institutions of higher education.

Under the act, the OEC commissioner alone determines how much unexpended funds will be distributed. Under prior law, the SDE commissioner made this determination in consultation with the BOR president.

§ 63 — MANDATED REPORTERS AT OEC AND DPH

The act adds to the list of statutorily required mandated reporters of suspected child abuse or neglect (1) any OEC employee responsible for licensing day care centers, group day care homes, family day care homes, or youth camps and (2) all DPH employees. Under prior law, only DPH employees responsible for day care or youth camp licensing were mandated reporters.

OTHER CHANGES

§ 67 — *Evidence of Workers' Compensation Insurance*

The act allows applicants seeking a license or permit from OEC to, as an alternative to presenting a physical certificate of workers' compensation insurance, write on the license or permit renewal form (1) the name of the insurer, (2) insurance policy number, (3) effective dates of coverage, and (4) attestation that the information is true and accurate. Under existing law, this option applies to applicants seeking a license or permit from DPH or the Department of Consumer Protection.

§§ 71-73 — *Teachers' Retirement System (TRS)*

The act makes conforming changes that allow any OEC employee who is a member of TRS from prior employment to continue as a member in that system while working at OEC.

§ 1 — ADDING DYSLEXIA TO THE IEP FORM

The act requires SDE to add dyslexia to the standard IEP form that planning and placement teams use to describe the special education and related services for a special education student. Specifically, by January 1, 2015, SDE must add "SLD – Dyslexia" under the "specific learning disabilities" heading in the "primary disability" section of the form. Dyslexia is covered by state and federal special education laws, but previously did not appear on the IEP form. Dyslexia is a reading disability often characterized by difficulty in decoding letters and words.

Prior law was silent regarding what must be included on the IEP form, but state regulations require that all districts use a standardized form that SBE approves. The federal Individuals with Disabilities Education Act (IDEA) (1) requires school districts to provide appropriate educational services to students with disabilities and (2) specifies the purpose and elements of an IEP.

§ 2 — DYSLEXIA INSTRUCTION IN TEACHER PREPARATION PROGRAMS

The act requires that, beginning July 1, 2015, all teacher preparation programs that lead to professional teacher certification include instruction on detecting and recognizing, and evidence-based interventions for, students with dyslexia. By law, these teacher preparation programs must already include instruction on literacy skills and best practices in the field of literacy training.

§ 3 — PRESCHOOL SPECIAL EDUCATION STUDENTS AND KINDERGARTEN

By law, a local or regional board of education must, whenever a child has been identified as requiring special education, immediately inform his or her parents or guardians of the laws relating to special education and of their rights under those laws. The act requires the information to include explicit notice of a parent's or guardian's right, under existing law, to withhold a child age (1) five from enrolling in kindergarten until age six and (2) six from enrolling in kindergarten until age seven.

§ 88 — REPEALER

The act repeals a number of provisions that became obsolete on OEC's creation, including the interagency agreement on school readiness, the coordinated system of early care and child development, and SDE's duty to develop a school readiness-to-kindergarten information sharing system.

BACKGROUND

Coordinated System of Early Care and Education and Child Development

In 2011, the governor appointed a planning director to create a plan for consolidating early childhood programs and services across several agencies into one coordinated system of early care and education and child development. This coordinated system was the precursor to OEC.

Prior law required the coordinated system to accomplish 25 tasks that address the following areas:

1. program reporting and data analysis,
2. student assessment,
3. program assessment,
4. family and parental involvement,
5. outreach and coordination,
6. funding,
7. licensing, and
8. professional development (CGS § 10-16bb (b)).

School Readiness Program

By law, a "school readiness program" is a nonreligious, state-funded education program that provides a developmentally appropriate learning experience of at least 450 hours and 180 days for children between ages three and five who are too young to enroll in kindergarten (CGS § 10-16p).

Program providers eligible for funding include local and regional boards of education, regional educational service centers, family resource centers, child day care centers, Head Start programs, and preschool programs.

Priority School

A priority school is one located in a nonpriority district where 40% or more of school lunches served are served to children with family incomes low enough to be eligible for free or reduced-price school lunches (CGS § 10-16p(a)(3)).

PSIS

PSIS is a statewide, standardized electronic data collection and reporting system that tracks and reports data relating to student, teacher, school, and district performance growth. It makes this data available to local and regional boards of education for use in evaluating educational performance and growth of teachers and students enrolled in Connecticut public schools (CGS § 10-10a).

Connecticut Child Care Facilities Program

This program, established by CHEFA, finances low-interest loans for child care and child development centers, family resource centers, and Head Start programs (CGS § 10a-194c).

PA 14-41—sSB 25

Education Committee

Appropriations Committee

AN ACT ESTABLISHING THE CONNECTICUT SMART START PROGRAM

SUMMARY: This act requires the Office of Early Childhood (OEC), in consultation with the State Department of Education (SDE), to design and administer the Connecticut Smart Start competitive grant program for local and regional boards of education to establish or expand preschool programs. The program must provide grants for capital and operating expenses. The act requires OEC to give preference to programs serving children from low-income families who live in towns with unmet preschool need. The legislature approved bonding and use of tobacco settlement funds for these grants (see BACKGROUND).

The act also makes changes to PA 14-39, which establishes OEC and requires it to develop and implement the early childhood information system. These changes require the:

1. early childhood information system to track the health, safety, and school readiness of all young children receiving early care and education services in a preschool under the Smart Start program and
2. OEC commissioner to develop a plan to provide access to a preschool program established or expanded under the Smart Start program, which she must submit to the governor by January 1, 2015.

EFFECTIVE DATE: July 1, 2014, except for provisions relating to tracking Smart Start students in the early childhood information system, which are effective upon passage.

SMART START COMPETITIVE GRANT

The act requires OEC, in consultation with SDE, to design and administer the Connecticut Smart Start competitive grant program for FY 15 through FY 24. The program reimburses local and regional boards of education in the form of capital and operating grants for expenses related to establishing or expanding a preschool program under the board's jurisdiction. Boards must apply to OEC for the grants.

Types of Grants

Boards may receive:

1. a capital grant of up to \$75,000 per classroom to renovate an existing public school to accommodate or expand a preschool program and
2. an annual operating expenses grant, either in an amount up to (a) \$5,000 per child served by the program or (b) \$75,000 per classroom, for a period of five years, as long as the program continues to meet standards established by the OEC commissioner.

The act prohibits a town from receiving more than \$300,000 in annual operating expense grants. It allows boards to apply for grant renewal after the five-year period expires.

Grant Application Process

Boards may apply for the Smart Start program, individually or cooperatively, beginning July 1, 2014 in a time and manner that the OEC commissioner prescribes. To be eligible for capital and operating grants, an applicant board must:

1. demonstrate a need to establish or expand a preschool program on a form provided by the OEC commissioner, using information from sources such as the preschool experience survey described in PA 14-39;
2. submit a plan for spending grant funds that outlines (a) the amount the board will contribute to the preschool program's operation and (b) how the board will provide preschool access to children otherwise unable to enroll in a program; and
3. submit a letter of support from a local or regional school readiness council, if one is established for the school district.

Grant Review and Award Process

The act requires the OEC commissioner to also consider the following when reviewing boards' Smart Start grant applications:

1. current community capacity for preschool programs;
2. current opportunities for preschool children in the community; and
3. whether the board (a) currently offers a full-day kindergarten program, (b) will cooperate and coordinate with other governmental and community programs to provide services when the preschool program is not in session (presumably before school, after school, and during the summer), or (c) will collaborate with other boards of education in a cooperative arrangement to offer a regional preschool program.

It requires the OEC commissioner, when awarding Smart Start grants, to give priority to boards of education that demonstrate the greatest need for preschool establishment or expansion and whose plan allocates at least (1) 60% of the spaces to children from families at or below 75% of the state median income or (2) 50% of the spaces to children who are eligible for free and reduced-price lunch.

Any preschool program established or expanded using Smart Start grants must:

1. contain a classroom with a certified teacher who (a) has an endorsement in early childhood education or early childhood special education and (b) is employed by the board of education providing the program,
2. maintain a teacher-child ratio and classroom size that complies with the National Association for the Education of Young Children's standards,
3. obtain school readiness accreditation within three years of the program's creation or expansion, and
4. be located in a (a) public school or (b) space maintained by an early care and education and child development program provider under an agreement with a board of education.

Grant Status Reports

Under the act, each board that receives a Smart Start grant (1) must submit an annual status report to OEC about the program's operation, on a form and in a manner prescribed by the OEC commissioner, and (2) may implement a sliding fee scale for services provided to enrolled children.

BACKGROUND

Related Acts

PA 14-98 authorizes up to \$105 million in bonds for FYs 15 through 24 for the Smart Start grant

program: \$15 million for FY 15 and \$10 million for each of the FYs 16 through FY 24. It establishes the Smart Start competitive grant account, a separate, nonlapsing General Fund account, to fund the grant program and directs the bond proceeds to the account.

PA 14-217 transfers \$10 million per year from the Tobacco Settlement Fund to the Smart Start competitive grant account for FYs 16 through 25.

PA 14-39 establishes OEC and requires it to develop and implement the early childhood information system to encourage data-sharing between and among early childhood service providers.

PA 14-90—sSB 475

Education Committee

Finance, Revenue and Bonding Committee

AN ACT CONCERNING AUTHORIZATION OF STATE GRANT COMMITMENTS FOR SCHOOL BUILDING PROJECTS AND CONCERNING CHANGES TO THE STATUTES CONCERNING SCHOOL BUILDING PROJECTS

SUMMARY: This act authorizes the administrative services (DAS) commissioner to enter into grant commitments on behalf of the state for 21 new school construction projects. It authorizes state grants totaling \$180.7 million related to total project costs of \$309.3 million. It also reauthorizes and changes grant commitments, due to cost and scope changes, for (1) six previously authorized local projects and (2) three previously authorized technical high school projects. The reauthorizations result in a \$196.6 million increase in the state grant commitments. Furthermore, the act

approves (1) various exemptions and waivers from school construction laws and (2) changes to existing authorizations. Under the state school construction grant program, the state reimburses towns and local districts for a percentage of eligible school construction costs.

The act also authorizes the DAS commissioner to (1) under certain conditions, waive the requirement that a school construction project meet the school safety infrastructure standards (SSIS) and (2) require towns and regional boards of education to perform security assessments on proposed school construction projects.

It expands the membership of the School Safety Infrastructure Council (i.e., the “council”) by adding one member the governor appoints who must be a licensed building official. Under prior law, the council had nine members including the commissioners of administrative services, emergency services and public protection, and education.

Finally, the act makes numerous changes to transfer most of the responsibilities and duties related to the school construction grant program to DAS from the State Department of Education (SDE).

EFFECTIVE DATE: Upon passage except July 1, 2014 for the SSIS provisions.

§ 1 — NEW AUTHORIZATIONS & PREVIOUSLY AUTHORIZED PROJECTS WITH CHANGES

Table 1 shows the new school construction projects the act authorizes. Tables 2 and 3 list changes in previously authorized school and technical high school projects. Projects with an asterisk are affected by other changes in the act (see section on notwithstanding provisions).

Table 1: New School Construction Projects Authorized

| <i>District</i> | <i>School</i> | <i>Project</i> | <i>Estimated Project Costs</i> | <i>Estimated Grant</i> | <i>State Reimbursement %</i> |
|----------------------|---|---|--------------------------------|------------------------|------------------------------|
| Danbury | Mill Ridge Intermediate School | Extension & alteration/ roof repair | \$18,608,903 | \$11,762,688 | 63.21% |
| Danbury | Park Avenue School | Extension & alteration | 12,217,578 | 7,722,731 | 63.21% |
| Danbury | Shelter Rock School | Extension & alteration | 5,650,019 | 3,571,377 | 63.21% |
| Danbury | Stadley Rough School | Extension & alteration | 5,367,422 | 3,392,747 | 63.21% |
| East Hampton | East Hampton High School | Extension & alteration/ alteration/roof replacement | 51,695,000 | 27,139,875 | 52.5% |
| Fairfield | Riverfield School | Extension & alteration | 14,485,766 | 3,828,588 | 26.43% |
| Fairfield | Fairfield Ludlowe High School | Extension & alteration/ energy conservation/ roof replacement | 11,630,700 | 3,073,994 | 26.43% |
| Fairfield | Osborn Hill School | Extension & alteration, energy conservation | 3,374,400 | 891,854 | 26.43% |
| New Britain | Gaffney School | Extension & alteration | 30,000,000 | 23,787,000 | 79.29% |
| Newington | Martin Kellogg Middle School | Alteration | 1,000,000 | 589,300 | 58.93% |
| Newington | John Wallace Middle School | Alteration | 1,000,000 | 589,300 | 58.93% |
| Newington | Newington High School | Extension & alteration | 1,500,000 | 883,950 | 58.93% |
| Putnam | Putnam High School* | Extension & alteration/ alteration/roof replacement | 33,421,159 | 24,467,631 | 73.21% |
| Putnam | Central Administration (Putnam High School) | Alteration/roof replacement | 3,188,841 | 1,167,275 | 36.6% |
| Regional District 14 | Nonnewaug High School | Extension & alteration | 63,820,605 | 30,544,542 | 47.86% |
| Stamford | Northeast School | Alteration/ energy conservation | 3,500,000 | 987,350 | 28.21% |
| Stamford | Toquam School | Alteration/ roof replacement | 2,550,000 | 719,355 | 28.21% |
| Stamford | Westhill High School | Alteration/ energy conservation | 2,075,000 | 585,358 | 28.21% |
| Torrington | Forbes School | Energy conservation | 300,000 | 225,000 | 75% |
| West Hartford | Charter Oak International Academy | Diversity school/new construction | 43,274,807 | 34,619,846 | 80% |
| Wethersfield | Central Administration (Wethersfield H.S.)* | Alteration & renovation | 652,065 | 165,331 | 25.36% |

Table 2: Previously Authorized School Construction Projects with Substantial Scope or Cost Changes

| <i>District</i> | <i>School</i> | <i>Project</i> | <i>Previous Grant Authorization</i> | <i>New Grant Authorization</i> | <i>Change</i> |
|----------------------|-----------------------------------|--|-------------------------------------|--------------------------------|---------------|
| Berlin | Berlin High School* | Renovation/extension | \$32,974,430 | \$39,345,395 | \$6,370,965 |
| Bridgeport | Dunbar School | Alteration/energy conservation | 6,888,032 | 6,888,032 | 0 |
| CREC | Academy of Aerospace | Magnet school/facility purchase/extension & alteration | 69,343,350 | 77,779,807 | 8,436,457 |
| New Haven | UNH Science & Engineering Magnet* | New magnet/site purchase | 56,525,000 | 81,255,000 | 24,730,000 |
| Regional District 18 | Mile Creek School | Energy conservation | 209,265 | 337,943 | 128,678 |
| Weston | Weston Middle School | Energy conservation | 298,981 | 526,830 | 227,849 |

Table 3: Previously Authorized Technical High School Construction Projects with Substantial Scope or Cost Changes

| <i>District</i> | <i>School</i> | <i>Project</i> | <i>Previous Authorization</i> | <i>Requested Authorization</i> | <i>Change</i> |
|-----------------|----------------|----------------------|-------------------------------|--------------------------------|---------------|
| Ansonia | Emmett O'Brien | Extension/alteration | \$77,746,501 | \$94,315,000 | \$16,568,499 |
| Groton | Ella T. Grasso | Extension/alteration | 61,479,000 | 134,913,000 | 73,434,000 |
| Milford | Platt | Extension/alteration | 57,886,000 | 124,566,000 | 66,680,000 |

§§ 3 & 4 — SCHOOL SAFETY INFRASTRUCTURE STANDARDS

By law, all new school construction projects seeking a state grant, as of July 1, 2014, must meet the SSIS issued by the council. The council was formed in 2013 and charged by law with the duty of issuing the SSIS, which it did in January 2014. The act authorizes the DAS commissioner to take two new actions related to implementing this requirement.

First, the commissioner may waive the requirement to meet the SSIS if he determines that the school construction grant application demonstrates that the applicant made a good-faith effort to address the standards and that compliance with the standards would be infeasible, unreasonable, or excessively expensive.

Second, the act authorizes the commissioner to require any town or regional board of education applying for a school construction project grant to conduct a safety assessment of the project to measure compliance with the SSIS. The town or regional board must use either an assessment tool the commissioner designates or an alternative the commissioner determines provides a comparable safety and security assessment.

§§ 5-12 — TRANSFERRING SCHOOL CONSTRUCTION DUTIES TO DAS FROM SDE

The act makes numerous changes to transfer most of the responsibilities and duties related to the school construction grant program to DAS from SDE. The education commissioner keeps the responsibility to evaluate projects for compliance with certain educational requirements. The act completes a transition that began in 2011 when a number of school construction duties were transferred to the then Department of Construction Services, which has since been merged into DAS. It makes several conforming and technical changes as part of this transfer.

The act requires towns or regional school districts to submit applications for school construction grants to the DAS commissioner, rather than the education commissioner. By law, the DAS commissioner already prescribed the application form. The act removes the provision that the education commissioner forward all applications to the DAS commissioner.

Under the act, the DAS commissioner reviews each grant application for compliance with educational requirements and on the basis of school building project categories that he establishes. Under prior law, the education commissioner performed this duty and used categories the State Board of Education established.

The DAS commissioner must consult with the education commissioner regarding applications for

agricultural science technology centers and cooperative regional special education facilities. The education commissioner must also evaluate whether an application will assist the state in meeting the integration goals of the *Sheff v. O'Neill* settlement.

The act specifies that the annual school construction priority list, already prepared by DAS, must, after January 1, 2014, include a report containing the DAS commissioner's review of the school enrollment projections for each eligible school construction project. Under prior law, the education commissioner conducted the enrollment review.

§ 13 — SCHOOL BUILDING PROJECTS ADVISORY COUNCIL MEMBERSHIP

The act adds the education commissioner to the School Building Projects Advisory Council. By law, the council is required to (1) develop model blueprints for new school building projects that comply with industry standards and the SSIS; (2) conduct studies, research, and analyses; and (3) make recommendations for improvements to the school building projects processes to the governor and the legislature.

PA 14-217 adds two more members to the council, both of whom are appointed by the governor (one new member must have school safety experience and the other must have State Building Code administration experience). Taken together, the acts increase the size of the council from five to eight members.

§§ 14 - 53 — SCHOOL CONSTRUCTION NOTWITHSTANDINGS

The act exempts specified school construction projects from various statutory and regulatory requirements to allow them to qualify for state grants or for additional grants through a higher level of reimbursement. These exemptions are referred to as "notwithstanding" provisions. Table 4 indicates the act section for each and summarizes each exemption and any applicable conditions. Different types of projects (e.g., new construction, renovation) have different reimbursement rates.

Table 4: School Construction Notwithstanding

| <i>Act §</i> | <i>Municipality/ Grantee</i> | <i>School</i> | <i>Exemption, Waiver, or Other Change</i> |
|--------------|--|---|---|
| 47 | ACES (Area Cooperative Educational Services) | Collaborative Magnet | Waives clawback of funds due to building redirection for non-magnet school purposes |
| 30 | Bloomfield | Bloomfield High School, extension and alteration, roof replacement | Waives repayment of funds by allowing enrollment figure of 714 when actual number is lower |
| 31 | Bloomfield | Carmen Arace Middle School, alteration and roof replacement | Waives repayment of funds by allowing enrollment figure of 710 when actual number is lower |
| 32 | Bloomfield | Laurel School, extension and alteration, roof replacement | Waives repayment of funds by allowing enrollment figure of 444 when actual number is lower |
| 33 | Bloomfield | Metacomet Elementary School, extension and alteration | Waives repayment of funds by allowing enrollment figure of 342 when actual number is lower |
| 44 | Bridgeport | Various | Waives repayment due for any project because of audit completed by June 30, 2013 and relieves DAS from making any further reimbursement payments on same projects |
| 34 | Clinton | Morgan School, new construction | Waives standard space specifications for the purpose of calculating the state grant |
| 48 | CREC (Capitol Region Education Council) | Museum Academy, site or site and facility acquisition | <ul style="list-style-type: none"> Increases project maximum costs associated with site or site and facility acquisition to \$33,261,000 Waives limit on the number of times a project can be considered for a cost increase (change order) |
| 29 | East Hartford | East Hartford Middle School, alteration and energy conservation | Waives state standard space specifications and makes exterior wall construction eligible for reimbursement |
| 46 | Goodwin College | Early Childhood Magnet | <ul style="list-style-type: none"> Makes reimbursable cost for site acquisition by a limited liability company (LLC) for Goodwin College Early Childhood Magnet School, provided the LLC conveys the site to Goodwin College Permits the conveyance to be in the form of a lease for a minimum term of 20 years |
| 14 | Hartford | Kinsella Magnet School, facility purchase and extension and alteration | Increases project cost, from \$30 million to \$33 million, provided application is submitted by June 30, 2015 |
| 42 | Hartford | Weaver High School, alteration, roof replacement, and energy conservation | <ul style="list-style-type: none"> Reclassifies as a renovation project rather than an alteration, roof replacement, and energy conservation project Exempts project from state space standards Grants full reimbursement rate, rather than 50% of rate, for athletic facilities, gymnasium, or auditorium |
| 50 | Hartford | Kinsella Magnet School, magnet extension (separate project than Section 14) | Permits town to submit project change orders more than six months after the orders were issued and remain reimbursable provided orders approved by DAS |
| 51 | Hartford | Capital Prep Magnet School, magnet extension and alteration | Permits town to submit project change orders more than six months after the orders were issued and remain reimbursable provided orders approved by DAS |
| 52 | Hartford | Fisher Magnet School, magnet extension and alteration | Permits town to submit project change orders more than six months after the orders were issued and remain reimbursable provided orders approved by DAS |
| 53 | Hartford | Environmental Sciences Magnet at Mary Hooker, magnet extension and alteration | Permits town to submit project change orders more than six months after the orders were issued and remain reimbursable provided orders approved by DAS |

| | | | |
|----|------------------------|---|---|
| 39 | LEARN (southeast RESC) | Multicultural Magnet, extension and alteration | Makes all project costs, except interest costs, eligible for reimbursement and specifies that LEARN is responsible for paying back any grant payments for interest costs |
| 45 | Middletown | Lawrence Elementary, alteration and roof replacement | Makes reimbursable furniture and equipment costs up to \$371,547 |
| 26 | Montville | Montville High School, extension and alteration | Permits town to submit project change orders more than six months after the orders were issued and remain reimbursable |
| 27 | Montville | Murphy Elementary School, extension and alteration | Permits bid prior to plan approval and allows awarding bid without public invitation to bid |
| 19 | New Haven | Engineering and Science University Magnet School in West Haven (on portion of University of New Haven campus in West Haven), new magnet | Makes architectural design costs eligible for reimbursement provided reimbursement does not exceed previously authorized grant amount |
| 20 | New Haven | Bowen Field, construction of outdoor athletic facility with lighting | Modifies previous authorization so that any private, federal, or state funds New Haven receives for necessary PCB removal are deducted from total school construction grant while maintaining the remainder of the grant |
| 21 | New Haven | Strong Communications Magnet School, | Makes project eligible for state aid provided costs do not exceed \$45 million, application is submitted by June 30, 2015, and is otherwise eligible |
| 22 | New Haven | John C. Daniels School, new construction | Allows DAS commissioner, under his waiver authority, to make certain costs eligible for reimbursement |
| 22 | New Haven | Beecher School, extension and alteration | Allows DAS commissioner, under his waiver authority, to make certain costs eligible for reimbursement |
| 36 | New London | Nathan Hale Magnet School, extension and alteration | Permits bid and awarding of contract project prior to plan approval for rooftop equipment, chiller enclosure, and PCB removal provided plans and specifications receive DAS approval and removes the limit on the reimbursement for increases in project cost due to change orders |
| 37 | New London | Magnet district | Removes the (1) limit on the number of schools the education commissioner can designate as magnets and (2) \$10 million limit on bonus grant amount to be received for magnets |
| 38 | New London | New London Magnet School for the Visual and Performing Arts, new magnet construction | <ul style="list-style-type: none"> • Makes project eligible for state aid provided costs do not exceed \$31 million, application is submitted by June 30, 2015, and is otherwise eligible • Requires memorandum of understanding between New London Board of Education, Garde Arts Center Board of Directors, and commissioners of education and administrative services establishing how the school will operate as a interdistrict magnet school • Permits New London to use public or private grant funds as the local share of the project costs with no decrease to the school construction grant • Makes cost for school construction at Garde Arts Center eligible for school construction reimbursement • Exempts project from standard space specifications |
| 16 | Norwich | Kelly Middle School, renovation and extension | <p>Modifies existing authorization by:</p> <ul style="list-style-type: none"> • Increasing project maximum cost to \$41,250,000 • permitting town to enter into contract for and issue bonds that exceed the town's approved appropriations but by no more than \$1 million provided the city council approves the additional appropriation by June 30, 2015 |
| 35 | Plainville | Linden School, extension and alteration | Modifies project scope to include and make eligible for reimbursement demolition costs of no more than \$2.4 million |
| 40 | Putnam | Central administration at Putnam High School | Makes reimbursement rate 73.21% for project on the 2014 priority list (central administration) |

| | | | |
|----|---------------|--|---|
| 18 | Rocky Hill | Rocky Hill High School, extension and alteration, roof replacement | Modifies existing authorization by: <ul style="list-style-type: none"> • increasing overall project cost to \$50 million • permitting town to enter into contract for or issue bonds that exceed the town's approved appropriation for the project, but by no more than \$5,045,000 provided town council approves the additional appropriation by June 30,2015 |
| 23 | Shelton | Shelton Intermediate School, new construction | Waives repayment of funds for site acquisition grant |
| 25 | Union | Union Elementary School, new construction | Waives public invitation to bid requirement, allows offsite improvements to be reimbursable, and permits change orders submitted on or before January 11, 2011 to be reimbursable |
| 43 | West Hartford | Charter Oak International Academy, new construction | Waives square feet per pupil standard and permits 86,877 square feet as the maximum footage for calculating eligible costs for reimbursement |
| 28 | West Haven | West Haven High School, extension and alteration | Authorizes increased project cost to \$132,639,000 |
| 24 | Weston | New Intermediate School, new construction | Waives repayment of funds by allows enrollment figure of 726 when actual number is lower |
| 17 | Wethersfield | Wethersfield High School, renovation and extension | Modifies existing authorization by <ul style="list-style-type: none"> • increasing overall project cost to \$83,794,709 • permitting town to enter into contract for or issue bonds that exceed the town's approved appropriation, but by no more than \$10 million provided town council approves the additional appropriation by June 30,2015 |
| 41 | Windham | Windham Magnet (Barrows School), new construction magnet | <ul style="list-style-type: none"> • Waives limit on the number of times a project can be considered for a cost increase (change order) • Authorizes cost increase to provide expanded furniture, furnishings, equipment, and technology equipment, provided local legislative approval of the local cost share is submitted by June 30, 2014 and the revised total cost does not exceed \$42 million |
| 49 | Windsor Locks | Windsor Locks High School, alteration | Waives repayment of funds by allowing enrollment figure of 600 when actual number is lower |

PA 14-113—SB 281
Education Committee

**AN ACT CONCERNING RECOMMENDATIONS
BY THE LEGISLATIVE COMMISSIONERS FOR
TECHNICAL REVISIONS TO THE EDUCATION
STATUTES**

SUMMARY: This act makes a technical correction to the law governing alternative route to certification (ARC) programs for school administrators.
EFFECTIVE DATE: Upon passage

2. requires the departments of Education (SDE) and Public Health (DPH) to jointly develop an annual training program for emergency epipen administration, and
3. requires SDE to adopt regulations necessary to carry out the new epipen administration and storage procedures.

EFFECTIVE DATE: July 1, 2014

STUDENTS WITH ALLERGIES

Administering Emergency Epinephrine

The act requires a school nurse or principal to select qualified school professionals to, under certain conditions and without a prior written authorization from a parent or guardian or a written order from a qualified medical professional for the administration of epinephrine, give an emergency epipen injection to a student having an allergic reaction. It defines “qualified medical professional” as a Connecticut-licensed physician, optometrist, advanced practice registered nurse, physician assistant, or podiatrist.

By law (1) nonmedical staff can give emergency glucagon injections to diabetic students requiring prompt treatment to avoid serious harm or death and (2) a specifically designated paraprofessional can administer an epipen to a student with a known allergy. In both scenarios, nonmedical staff can administer injections if there is written authorization from the student’s parents and a written order from a physician. The act applies the same conditions and training requirements to employees administering epinephrine as already exist for glucagon, except the new provisions do not require that the employee volunteer to become an epipen administrator.

Nonmedical staff can administer the injections only if the:

1. school nurse is absent or unavailable;
2. employee has completed annual training in how to administer epinephrine that the school nurse and school medical advisor require; and
3. nurse and medical advisor attest, in writing, that the employee has completed the training.

The school nurse must provide general supervision to the qualified employee.

Maintaining Store of Emergency Epinephrine

The act requires the school nurse or, in the nurse’s absence a qualified school employee, to maintain a store of epinephrine cartridge injectors for emergency use. The act defines cartridge injector as an automatic prefilled cartridge injector or similar automatic injectable equipment used to deliver epinephrine in a standard dose for emergency first aid response to

PA 14-176—sHB 5521
Education Committee
Appropriations Committee

**AN ACT CONCERNING THE STORAGE AND
ADMINISTRATION OF EPINEPHRINE AT
PUBLIC SCHOOLS**

SUMMARY: This act requires schools to designate and train nonmedical staff to administer emergency epinephrine in cartridge injectors (“epipens”) to students having allergic reactions who were not previously known to have serious allergies. It authorizes the emergency use of epipens by nonmedical staff only if (1) the school nurse is not present or available and (2) certain conditions are met.

The act permits the following individuals (i.e., “qualified school employees”) to be trained and authorized: principal, teacher, licensed athletic trainer, licensed physical or occupational therapist employed by a school district, coach of school intramural or interscholastic athletics, and school paraprofessional. By law, (1) all of these individuals can, under specific circumstances, administer glucagon via injection to a student with diabetes and (2) a specifically designated paraprofessional can administer an epipen to a student with a known allergy.

The act requires the school nurse or school principal to select qualified school employees to be trained to administer epipens under the act’s provisions. The professionals must meet training and other requirements before being allowed to administer epipens. Schools must (1) have at least one qualified professional on the school grounds during regular school hours and (2) maintain a store of epipens for emergency use.

The act also:

1. extends the immunity from liability for employees and local boards provided under the existing prior-authorization glycogen and epipen laws to the epinephrine provisions,

allergic reactions.

REQUIREMENTS FOR LOCAL AND REGIONAL BOARDS OF EDUCATION

The act requires local and regional boards of education to adopt policies and procedures allowing emergency administration of epinephrine as the law already allows for glucagon. The policies and procedures must (1) conform with the act's provisions and State Board of Education (SBE) regulations and (2) be approved by the local board's medical advisor, or if there is none, a qualified licensed physician.

Each school that administers medication under the act must record the administration as required by state law and store the medication as prescribed by Department of Consumer Protection regulations.

SBE REGULATIONS

The act requires SBE, in consultation with DPH, to adopt regulations that specify the conditions and procedures for the storage and administration of epinephrine for emergency first aid for students having allergic reactions who do not have a prior written parental authorization or a prior written order from a qualified medical professional for epinephrine administration.

IMMUNITY FROM LIABILITY

The act extends to the epinephrine provisions the existing immunity from liability for employees and local boards provided under the prior-authorization glucagon and epipen laws.

It bars anyone from making a claim against a town, board of education, or school employee for damages resulting from administration of medication under the act. The immunity covers the qualified school personnel, but it does not apply to acts or omissions that constitute gross, wilful, or wanton negligence.

The act also extends immunity to those acting under an existing statute that allows intramural or interscholastic athletic coaches to administer medicinal preparations, including controlled drugs the consumer protection commissioner designates, to a student participating in athletics pursuant to a written medical order.

REQUIRED TRAINING

By December 31, 2014, the act requires SDE and DPH to jointly develop, in consultation with the School Nurse Advisory Council, an annual training program for emergency first aid to students who experience allergic reactions.

The program must include instruction in:

1. cardiopulmonary resuscitation (CPR),
2. first aid,
3. food allergies,
4. signs and symptoms of anaphylaxis (hypersensitivity due to a previous exposure to some type of agent or antigen),
5. prevention and risk-reduction strategies regarding allergic reactions,
6. emergency management and administration of epinephrine,
7. follow-up and reporting procedures after a student has experienced an allergic reaction,
8. carrying out the act's provisions, and
9. any other relevant issues related to emergency first aid for students with allergic reactions.

SDE must make the training program available to local and regional boards of education.

PA 14-212—sSB 425

Education Committee

Government Administration and Elections Committee

AN ACT CONCERNING THE STATE EDUCATION RESOURCE CENTER

SUMMARY: This act reconstitutes the State Education Resource Center (the "center") as a quasi-public agency created to assist the State Board of Education (SBE) in, among other things, programs and activities to promote educational equity and excellence. The act transfers most of the responsibilities of the former center to the newly reconstituted one and gives it most of the same rights, duties, and responsibilities as other quasi-public agencies.

Under prior law, the center was not clearly defined as an entity separate from the State Department of Education (SDE). SBE established it under law, and the Rensselaer Hartford Graduate Center served under contract as the center's fiduciary (see BACKGROUND).

Under the act, (1) the powers of the center are vested in a 13-member board of directors and (2) the center is subject to existing laws governing state quasi-public agencies.

The act permits the education commissioner to allocate funds to the new center to provide a range of services to local and regional boards of education, SDE, charter schools, state technical high schools, school readiness providers, and other education providers. It deletes a requirement that the center promote and encourage professional development for school paraprofessionals who have instructional duties, leaving this responsibility with SDE (§ 13). It also makes technical and conforming changes (§§ 9 & 14-18).

Also, the act expands who a municipality or board of education can hire or contract with to provide armed school security services to include (1) federal law enforcement officers and (2) police officers who served in other states.

EFFECTIVE DATE: Upon passage

§§ 1 & 2 — STATE EDUCATION RESOURCE CENTER AS A QUASI-PUBLIC AGENCY

The act reconstitutes the center as a quasi-public agency with most of the same rights, duties, and obligations as other quasi-public agencies. Consequently, the center is (1) a body politic and corporate, constituting a public instrumentality and political subdivision of the state and (2) a public educational authority acting for the state. It is not a state department, institution, or agency. The act transfers to the center almost all the former center’s duties.

§ 1 — BOARD OF DIRECTORS

The act establishes a 13-member board of directors, which is vested with the center’s powers. The education commissioner, or his designee, is a board member. The remaining members, their appointing authorities, and terms are shown below in Table 1.

Table 1: State Education Resource Center Appointed Members

| <i>Appointing Authority</i> | <i>Number of Appointments</i> | <i>Terms</i> |
|------------------------------|---|---|
| Governor | Four, with the consent of both houses of the General Assembly | Term of office of appointing authority or until a successor is appointed, whichever is longer |
| SBE | Two, with the consent of both houses of the General Assembly | Same as above |
| Senate president pro tempore | One | Same as above |
| Senate majority leader | One | Same as above |
| Senate minority leader | One | Same as above |
| House speaker | One | Same as above |
| House majority leader | One | Same as above |
| House minority leader | One | Same as above |

Initial appointments must be made by August 15, 2014. The board’s first meeting must be held by September 15, 2014. Any member who fails to attend

50% of the board’s meetings held during a calendar year is deemed to have resigned.

The governor appoints the board’s chairperson from among the members, with the advice and consent of both houses of the General Assembly. The chairperson serves at the governor’s pleasure.

Quorum, Expenses, and Conflicts of Interest

A majority of board members constitutes a quorum and a majority of the quorum may transact business or exercise any of the center’s powers, except two-thirds of the board must vote to adopt proposed procedures, as required by the laws governing quasi-public agencies. Board members do not receive compensation, but are reimbursed for actual and necessary expenses incurred while performing their official duties.

A board member’s employment or business relationships are subject to the applicable laws, rules, and regulations on ethics and conflicts of interest. It is not a conflict of interest for a trustee, director, partner, or officer of any firm or corporation, or any individual having a financial interest in a firm or corporation, to serve as a board member, as long as the individual complies with all applicable provisions of the State Code of Ethics.

Executive Director

The chairperson, with board approval, appoints the center’s executive director, who is an employee of the center and paid a salary the board determines. The executive director supervises the center’s administrative affairs and technical activities in accordance with the board’s directives.

§ 2 — CENTER PURPOSES

The new center has the same overall purpose as the old one under prior law, which is to help the SBE provide programs and activities that promote educational equity and excellence. The activities can include training and professional development seminars; publication of technical materials; research and evaluation; and writing, managing, and administering grants for purposes mentioned below. The center can support programs and activities concerning (1) early childhood education, in collaboration with the Office of Early Childhood; (2) improving school and district academic performance; (3) closing the academic achievement gap between socio-economic subgroups; and (4) other related programs and activities.

- For these purposes, the act empowers the center to:
1. have perpetual succession as a body politic and corporate and to adopt bylaws for the conduct of its business;
 2. adopt an official seal;

3. maintain an office at a place or places it designates;
4. sue and be sued in its own name;
5. receive and accept anything of value to carry out the act's purposes, subject to any conditions imposed by the contributor;
6. make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the act, including contracts and agreements for professional services, such as financial consultants, underwriters, and technical specialists;
7. acquire, lease, purchase, own, manage, hold, and dispose of personal property, and enter into agreements with respect to the property on any terms necessary or incidental to carrying out the act's purposes;
8. invest in, acquire, lease, purchase, own, manage, hold, and dispose of real property and lease, convey, or enter into agreements with respect to the property on terms necessary or incidental to carrying out the act's purposes, provided the transactions are subject to approval, review, or regulation by any agency under state laws covering property acquisition, management, or disposal;
9. procure liability or loss insurance for its property and other assets, and to procure insurance for employees;
10. account for and audit funds belonging to the center or any recipients of center funds;
11. hold patents, copyrights, trademarks, marketing rights, licenses, or any other evidence of protection or exclusivity as to any products as defined in the act, issued under state, U.S., or foreign laws;
12. establish advisory committees to assist in accomplishing the stated duties, which may include board members and persons other than members; and
13. carry out any other activity necessary for the act's purposes.

§ 2 — CENTER EMPLOYEES

The act authorizes the center to employ assistants, agents, and other employees as necessary. It authorizes the center to establish necessary personnel practices and policies, including those related to hiring, promotion, compensation, retirement, and collective bargaining. It specifies that center employees are not state employees under state collective bargaining law. The center has approximately 95 employees and consultants under contract, who are not state employees and, for example, are not in the state employee retirement system (see

BACKGROUND).

§ 2 — SCHOOL REFORM RESOURCE CENTER

Under prior law, SDE had to establish a Connecticut School Reform Resource Center either within the former center or by contract through a regional educational service center. The act transfers the responsibility to establish the school reform resource center to the reconstituted center. Like the old center, the new one must serve all public schools in the state and perform duties related to improving student achievement ranging from professional development for teachers and administrators to developing culturally relevant methods for teaching students whose primary language is not English.

§ 2 — PURCHASING, PROCUREMENT, AND PERSONAL SERVICE AGREEMENTS

The act subjects the center to the rules, regulations, and restrictions on purchasing, procurement, personal service agreements, or asset control generally applicable to state agencies. These include the laws and related regulations for:

1. issuing purchase orders before incurring a cost (CGS § 4-98);
2. entering into personal service agreements conditions and limitations (CGS §§ 4-212 - 219); and
3. issuing competitive bids or conducting competitive negotiations for contracts for supplies, materials, equipment, and contractual services (CGS §§ 4a-57 & 4e-19).

These rules, regulations, and restrictions apply to the disposal of real property.

§ 3 — BUSINESS PROCEDURES

The act requires the center's board to follow the adoption and notification process provided in state law for quasi-public agencies adopting written procedures. This includes 30-days' notice of a proposed procedure published in the *Connecticut Law Journal*. This notice must include information on when, where, and how interested parties can provide their views on the proposal. A quasi-public agency can adopt procedures only by two-thirds vote of the full board's membership.

The center must adopt written procedures for:

1. adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan takes effect;
2. hiring, dismissing, promoting, and compensating center employees, including adopting an affirmative action policy, and a requirement for board approval before a position may be created or a vacancy filled;

3. acquiring real and personal property and personal services, including a requirement that the board approve any nonbudgeted spending in excess of a limit that the board sets; and
4. contracting for financial, legal, consulting, and other professional services, including a requirement that the center solicit proposals at least once every three years for each service it uses.

§ 4 — ANNUAL BUDGETS

For FY 15, and each fiscal year thereafter, the center must submit a yearly budget, projected revenue statement, and financial audit to the SBE and Education Committee. The act does not state when the budget must be submitted; presumably it must be submitted before the start of the fiscal year.

§§ 5-8 — NEW CENTER PLACED UNDER EXISTING QUASI-PUBLIC LAW

The act reconstitutes the center as a quasi-public agency subject to the laws governing these agencies.

These laws:

1. subject the center's board members to the Code of Ethics for Public Officials;
2. subject the center to biennial audits by the auditors of public accounts;
3. exempt board members, officers, and employees from personal liability when performing their duties, provided the conduct was not wanton, reckless, willful, or malicious; and
4. require annual reports to the governor, auditors of public accounts, and the Program Review and Investigations Committee.

§ 10 — EDUCATION COMMISSIONER MAY ALLOCATE FUNDS TO NEW CENTER

The act permits the education commissioner to allocate funds to allow the center, as reconstituted under the act, to provide the following services authorized under existing law: (1) professional development services, (2) technical assistance and evaluation activities, and (3) policy analysis and other forms of assistance to local and regional boards of education, SDE, charter schools, the technical high school system, providers of school readiness programs, and other educational entities and providers. The act requires the center to spend the funds in accordance with procedures and conditions the commissioner prescribes.

§ 11 — TRANSFER OF FUNCTIONS, POWERS, DUTIES, AND OBLIGATIONS TO NEW QUASI-PUBLIC AUTHORITY

The act requires the new center to assume all responsibilities of the former center. The transfer of functions, powers, duties, personnel, and obligations, including, contract obligations, continuance of orders and regulations, effect upon pending actions and proceedings, and the transfer of records and property between the former and the new center are governed by state law on the transfer of power and authority from one agency to a successor agency, including the receipt of federal aid and the transfer of state appropriations.

§ 12 — SPECIAL EDUCATION RESOURCE CENTER

The act requires the new center to maintain the Special Education Resource Center, rather than SBE allowing the center to maintain it. As under prior law, the special education resource center must be maintained with federal funds granted to the state. By law, the education commissioner is authorized to accept any federal funds allotted to the state for these purposes.

§ 19 — ARMED SECURITY OFFICERS AT SCHOOLS

The act expands who a municipality or board of education can hire or contract with to provide armed school security services to include two additional types of former law enforcement officers. It allows them to hire or contract with agents or officers who are retired or separated in good standing from a federal law enforcement agency or an out-of-state police department (PA 14-217, § 254 contains this same provision). Prior law only allowed retired Connecticut state police or Connecticut municipal officers to provide these services.

To qualify, either type of officer must also:

1. meet or exceed Connecticut's Police Officer Standards and Training (POST) Council certification standards to serve as armed security at a school and
2. be a "qualified retired law enforcement officer" as defined in the federal Law Enforcement Officers Safety Act (LEOSA).

Among other things, being qualified under LEOSA means the officer must have either (1) served as a law enforcement officer for 10 or more years or (2) separated from service due to a service-related disability. For both additional categories, the act does not specify who determines whether a retired officer meets or exceeds POST's certification standards (presumably the POST Council will).

BACKGROUND*Fiduciary for State Education Resource Center*

For more than 20 years, SDE has contracted with the Rensselaer Hartford Graduate Center, a private institution of higher education, to act as the fiduciary for the State Education Resource Center. Under the contract, Rensselaer must implement appropriate fiscal controls and accounting in order to properly disburse the center's funds. Rensselaer handles the payroll and benefits for the roughly 95 SERC employees.

PA 14-229—sSB 477*Education Committee***AN ACT CONCERNING THE EXPUNGEMENT OF A PUPIL'S CUMULATIVE EDUCATION RECORD FOR CERTAIN EXPULSIONS**

SUMMARY: This act makes various changes in student expulsion laws regarding the (1) shortening of expulsion periods and (2) erasure of expulsion records.

Prior law allowed local and regional boards of education to shorten or waive any student's expulsion period if he or she had never previously been suspended or expelled and successfully completed a board-specified program and met other conditions. The act eliminates boards' ability to do this if a student has been expelled for possessing a firearm or deadly weapon. (Federal law mandates an expulsion period of one calendar year for such offenses.)

By law, a student's cumulative educational record must include notice of any expulsion and the behavior that caused it. The act (1) changes the circumstances that require boards to erase expulsion records and (2) adds circumstances under which boards may erase such records at their discretion.

Prior law required boards to erase a student's expulsion record upon high school graduation; however, it prohibited boards from erasing expulsions for firearm or deadly weapon possession, unless the expulsion period had been shortened or waived after the student completed a board-specified program and met other board requirements. The act instead (1) requires boards to erase firearm and deadly weapon expulsion records upon high school graduation if the offense occurred in kindergarten through grade eight and (2) eliminates boards' ability to erase a ninth through twelfth grade student's expulsion for firearm or deadly weapon possession.

The act gives boards discretion to erase expulsion records before a student's high school graduation when his or her conduct and behavior in the years following expulsion demonstrates that early erasure is warranted.

It allows boards to receive and consider evidence of any disciplinary problems following the student's expulsion when considering early erasure, including removal from a classroom, suspension, or expulsion. Under existing law, boards may erase expulsion records before graduation when a student completes a board-specified program and meets other board conditions.

The act also makes a technical change.

EFFECTIVE DATE: July 1, 2014

PA 14-230—sHB 5566 (VETOED)*Education Committee***AN ACT CONCERNING MINOR REVISIONS TO THE EDUCATION STATUTES**

SUMMARY: This act makes numerous changes to the education statutes including:

1. changing the standards for allowable nutritional drinks, including limiting the types of milk, in public schools (§ 8);
2. making agricultural science and technology center internship providers immune from civil liability for student interns' personal injuries, unless the injuries are caused by providers' gross or willful misconduct (§ 11); and
3. permitting the State Department of Education (SDE) to administer a grant program, within available appropriations, for summer learning programs run by local and regional boards of education, municipalities, and non-profit organizations (§ 13).

It also makes other minor changes including:

1. changing the title of "special master" for a district under state supervision to "district improvement officer" (§§ 1-3);
2. reducing the number and schedule of required vision, hearing, and postural screenings for public school students (§ 4);
3. indemnifying teacher mentors and reviewers against lawsuits (§ 5);
4. extending, from two to four years, the terms of all appointments to the Advisory Council for School Administrators that take place on or after the act's passage (§ 6);
5. allowing SDE to use a nationally recognized exam as part of a program that allows boards of education to permit high school students to substitute certain evidence of academic achievement for existing high school graduation requirements (§ 7);
6. specifying that agricultural science (vo-ag) center equipment and facilities purchased with state grants must be used exclusively by the vo-ag centers (§ 9);

7. requiring parents to notify a student’s home district when the student is accepted to or placed on the waiting list for an interdistrict magnet school (§ 10);
8. specifying that the required union representation on a school district’s professional development and evaluation committee include at least one representative from each of the teachers’ and administrators’ unions (§ 12);
9. changing the date that school superintendents’ annual status report on teacher evaluations are due (§ 14); and
10. adding criteria that SDE must consider for proposed administrator alternative route to certification (ARC) programs (§ 15).

EFFECTIVE DATE: July 1, 2014, except for the provisions regarding indemnity, appointments to the administrator standards council, the due date for the racial minority enrollment report, and the due date for the superintendents’ reports on teacher evaluation are all effective upon passage.

§ 8 — NUTRITIONAL DRINK STANDARDS IN SCHOOLS

The act changes the standards for allowable nutritional drinks, including limiting the types of milk that can be served, in public schools. Table 1 shows the changes.

Table 1: Allowable Nutritional Drinks in Schools

| <i>Beverage</i> | <i>Prior Law</i> | <i>Act</i> |
|---|--|--|
| Milk | May be flavored but cannot contain artificial sweeteners or more than four grams of sugar per ounce | <ul style="list-style-type: none"> • Bans whole milk • Allows low-fat unflavored or fat free flavored or unflavored milk • Bans nonnutritive sweeteners, sugar alcohols, or added sodium • Keeps the existing artificial sweetener ban and sugar limit |
| Nondairy Milks (such as soy or rice milk) | May be flavored but cannot (1) contain artificial sweeteners or more than four grams of sugar per ounce or (2) have a high amount of calories from fat | <ul style="list-style-type: none"> • Bans nonnutritive sweetening, sugar alcohols, or added sodium • Must meet U.S. Department of Agriculture school meal requirements • Keeps the existing artificial |

| <i>Beverage</i> | <i>Prior Law</i> | <i>Act</i> |
|---|--|---|
| | | sweeteners ban, sugar limit, and low amount of calories from fat |
| Fruit, vegetable, or combination juice (100% juice) | Bans added sugars, sweeteners, and artificial sweeteners | <ul style="list-style-type: none"> • Bans sugar alcohols and added sodium • Keeps the existing ban on various sweeteners |
| Water, fruit, or vegetable juice combinations | Bans added sugars, sweeteners, and artificial sweeteners | <ul style="list-style-type: none"> • Bans nonnutritive sweetening, sugar alcohols, or added sodium • Must meet the SDE nutrition requirements • Keeps existing ban on the artificial sweeteners, sweeteners, and sugar |
| Water (that may be flavored) | Bans sugars, sweeteners, artificial sweeteners, and caffeine | <ul style="list-style-type: none"> • Bans sugar alcohols and added sodium • Keeps existing ban on sugar, sweetener, artificial sweetener, and caffeine |

The act also limits the portion size for drinks other than water to no more than eight ounces for K-5 grade students. Prior law permitted up to 12 ounces a serving for K-5 students. The act keeps the sixth grade through high school limit at 12 ounces.

§ 11 — AGRICULTURAL INTERNSHIP PROVIDER LIABILITY IMMUNITY

The act grants immunity from civil liability for student interns’ personal injuries to agricultural science and technology center internship providers as long as the provider exercises reasonable care and is in compliance with applicable safety and health standards. The immunity does not apply if an injury is caused by a providers’ gross, reckless, willful, or wanton misconduct.

It applies to internship providers that:

1. are individuals, sole proprietorships, trusts, corporations, limited liability companies, unions, associations, firms, partnerships, committees, clubs, or other organizations or groups and

2. contract with a local or regional board of education that operates an agricultural science and technology education center in order to provide internships.

The act defines an internship as a supervised practical training of a student intern that includes education and labor department-approved curriculum and workplace standards.

§ 13 — SUMMER LEARNING PROGRAM GRANTS

The act permits SDE, in consultation with the after-school committee established under state law, to administer a grant program, within available appropriations, for summer learning programs run by local and regional boards of education, municipalities and non-profit organizations (i.e., 501(c)(3) organizations). Under the act, a “summer learning program” means a program that provides at least 240 hours of educational, enrichment, and recreational activities during the public school summer recess. It must include small-group instruction in literacy and math for K-12 children, and have a parental involvement component.

Applications and Grant Process

Grant applications must (1) be filed biennially with the education commissioner in a time and manner he decides and (2) include a spending plan for the grant funds.

Eligibility for grants is (1) determined for a two-year period and (2) based on the grant spending plan. To receive funds in a second year, a grant recipient must report performance outcomes for the program and file expenditure reports with SDE. The performance outcomes report must include measurements of the program’s impact on (1) student achievement, including grade-level reading ability; (2) childhood obesity; and (3) the behavior of student participants.

Evaluation Procedures

SDE and the after-school committee must develop and apply appropriate evaluation procedures to measure the program’s effectiveness. By law, after-school committee members are appointed by the education commissioner in consultation with social services commissioner and the Children’s Commission executive director and may include individuals with expertise in after-school programs and after-school providers.

SDE Role in Program Development

SDE can retain up to 4% of the amount appropriated for the program to provide grant recipients with technical assistance, evaluation, program

monitoring, and professional development.

Recipient Expenditure Reports

The act requires grant recipients to file expenditure reports with the education commissioner when and how he chooses. Recipients must refund (1) any unexpended money at the close of the program for which the grant was awarded and (2) any grant money not expended according to the approved grant application.

Accepting Public and Private Support

For purposes of the program, the act allows SDE to accept funds from private sources and from the Department of Social Services (the state agency that is an after-school committee member).

Reporting Requirement

By March 15, 2017, and biennially thereafter, SDE must report to the Education Committee on the performance outcomes for summer learning grant recipients including the impact on (1) student achievement, including grade-level reading ability; (2) childhood obesity; and (3) student participant behavior.

§§ 1-3 — SPECIAL MASTER TITLE CHANGED TO DISTRICT IMPROVEMENT OFFICER

The act changes the title of a person assigned by the State Board of Education (SBE) to administer education operations in a low-performing district and work collaboratively with the district’s board from “special master” to “district improvement officer” (see BACKGROUND). New London is the only district that currently has such a person. In addition, under the education commissioner’s network of schools law, in certain situations the commissioner may appoint a special master to implement the turnaround plan for an individual school. The act changes this title to a school improvement officer.

§ 4 — VISION, HEARING, AND POSTURAL SCREENINGS

The act reduces the number of mandatory annual vision, hearing, and postural screenings for public school students and eliminates the requirement for annual postural screenings. Table 2 lists the changes by type of screening and grade. By law, the school superintendent must provide written notice to the parents of any student found to have any impairment, disease, or defect of vision or hearing or evidences a postural problem.

Table 2: Vision, Hearing, and Postural Screenings

| Screening | Grades Under Prior Law | Grades Under the Act |
|-----------|-----------------------------|---|
| Vision | K, 1-6 inclusive, & grade 9 | K, 1, & 3-5 inclusive |
| Hearing | K-3 inclusive, 5 & 8 | K, 1, & 3-5 inclusive |
| Postural | 5-9, inclusive | Female students: 5 and 7 Male students: 8 or 9 |

§ 5 — INDEMNITY FOR TEACHER MENTORS OR REVIEWERS

The act extends the legal indemnity given to teachers, administrators, school board members, and others to teacher mentors and teacher reviewers. This means these employees are held harmless by their employer for acts or omissions that cause death or injury to another person or property if the employee's acts were (1) not wanton, reckless, or malicious and (2) within the scope of his or her employment. Employers covered are local or regional boards of education, the governing council of a charter school, SBE, the Board of Regents for Higher Education or the board of trustees of each state institution of higher education, and each state agency that employs teachers.

§ 7 — NATIONAL EXAM AS PART OF SUBSTITUTE FOR STANDARD GRADUATION REQUIREMENTS

The law requires SDE to establish a program that allows boards of education to permit 11th and 12th grade students to substitute certain evidence of academic achievement for existing high school graduation requirements in order to receive a high school diploma. One of three required pieces is a passing score on a national examination that SDE determines. The act changes this to a nationally recognized exam that SBE approves.

§ 10 — MAGNET SCHOOL ENROLLMENT NOTIFICATION

The act requires the parents or guardian of a student who enrolls in a magnet school for the coming year or of a student on a waiting list for a magnet school to notify the student's home school district of the upcoming enrollment or status on a waiting list. This must be done within two weeks after the enrollment lottery for the magnet school (which is usually held in March or April). Enrollment lotteries are held when a magnet school has more students interested in attending than it has available seats.

By law and unchanged by the act, a magnet school operator must, by May 15 annually, notify a student's home district that the student is enrolled in the magnet

school for the coming school year and what the tuition will be. All magnet schools, except *Sheff* host magnets, are allowed to charge the tuition to a student's home (i.e., sending) district.

§ 14 — SUPERINTENDENT STATUS REPORT ON TEACHER EVALUATION

Under prior law, school superintendents had to annually report on (1) the status of teacher evaluations to the local school board by June 1 and (2) the status of teacher evaluation and supports programs and other required information to the education commissioner by June 30. The act changes the due date of both reporting requirements to September 15.

§ 15 — ADMINISTRATOR ALTERNATIVE ROUTE TO CERTIFICATION PROPOSALS

The act adds additional criteria that SDE must consider for proposed administrator alternative route to certification (ARC) programs that universities, boards of education, regional educational service centers, or administrator training organizations submit. By law, SDE can only approve such programs with specific criteria for accepting applicants, including a minimum of 40 months teaching experience with at least 10 of those months in a position requiring certification at a public school in Connecticut or another state. The act modifies this by specifying that such applicants must (1) have no more than 10 months teaching experience in a public school in another state while holding a professional certification, (2) provide a statement of justification for participation in the ARC, and (3) receive approval from SDE to participate in the program.

Furthermore, the act provides that participants with less than 10 months teaching in another state can make up no more than 10% of the participants in the proposed ARC program (this provision appears to conflict with the other requirements as 100% of the participants must meet all the criteria including having less than 10 months experience out of state).

By law, participants must also meet the following criteria to be eligible for the administrator ARC program:

1. hold a bachelor's degree from an institution of higher education accredited by the Board of Regents for Higher Education, the Office of Higher Education, or a regional accreditation entity; and
2. be recommended by an immediate supervisor or district administrator on the basis of the applicant's performance.

BACKGROUND*Special Master Law*

A 2011 law requires the SBE to assign a special master to administer the Windham school district's educational operations to help it achieve adequate yearly progress (AYP) as a district in reading and mathematics as required by the federal No Child Left Behind (NCLB) Act (PA 11-61). The special master has left Windham and is now assigned to New London. (The state is now operating under a federal waiver from NCLB and state measures of school and district success have changed.)

PA 14-232—sHB 5564

Education Committee

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE REVIEW AND APPROVAL OF SAFE SCHOOL CLIMATE PLANS BY THE DEPARTMENT OF EDUCATION AND A STUDENT SAFETY HOTLINE FEASIBILITY STUDY

SUMMARY: This act requires the State Department of Education (SDE) to approve or reject a local or regional board of education's safe school climate plan within 30 days of receiving it and, in the event it is rejected, creates specific follow-up steps for both SDE and the board. Under the act, only boards that have not previously had plans approved must submit them.

It also (1) adds specific requirements to safe school climate surveys and (2) requires the Department of Emergency Services and Public Protection (DESPP) to conduct a feasibility study for a student safety hotline.

EFFECTIVE DATE: Upon passage

§§ 2 & 3 — SAFE SCHOOL CLIMATE PLAN

By law, each board of education must submit a safe school climate plan to SDE. The plan must (1) address bullying in the school district, (2) permit parents and students to file complaints and require complaint investigations, (3) develop a prevention and intervention strategy, and (4) take numerous other steps related to bullying and bullying prevention.

Prior law required boards of education to approve the plan and submit it to SDE by January 1, 2012. The act instead requires boards that have not previously developed, submitted, and had plans approved by SDE to submit plans for approval by September 1, 2014.

The act requires SDE to review each such safe school climate plan for compliance with statutory requirements (see **BACKGROUND**). If SDE rejects the

plan, it must provide the board of education with a notice that includes the reasons for rejection. SDE must act on the plan within 30 days.

If the plan is rejected, the local board must redevelop and resubmit it within 30 days after receipt of the rejection notice. SDE has 30 days to either approve or reject the resubmitted plan. If it rejects it, SDE must again provide a rejection notice and the board has 30 days to adopt the SDE-developed model safe school climate plan.

The act requires the board to make the plan available on the school district's and individual school's website 30 days after SDE approval, rather than 30 days after board approval.

§ 4 — SCHOOL CLIMATE ASSESSMENT SURVEYS

By law, boards of education must use surveys to collect information on bullying prevention and intervention in school as part of their assessment of school climate. The act specifies that districts must (1) use a survey that contains uniform grade-level appropriate questions to collect student perspectives and opinions about their school climate and (2) allow students to anonymously complete and submit the assessments and surveys.

§ 1 — STUDENT SAFETY HOTLINE FEASIBILITY STUDY

The act requires DESPP to study the feasibility of establishing a student safety hotline and submit the study's results by January 1, 2015 to the Education Committee.

The study must include an analysis of:

1. the feasibility of establishing a student safety hotline to receive anonymous phone calls and text messages about the school safety concerns of K-12 students and provide assistance and referrals to the students,
2. the relevant referral areas and appropriate entities and agencies to receive the referrals,
3. student safety hotline operator training,
4. existing student safety hotlines in other states,
5. legal issues that might be associated with administering a student safety hotline, and
6. any other relevant topics or issues associated with such a hotline.

BACKGROUND*Safe School Plans*

By law, school districts must develop safe school climate plans that include specific elements (CGS § 10-222d (b)).

Among other things, the plans must:

1. prohibit bullying, including cyberbullying, both in and outside of school;
 2. establish certain deadlines for (a) filing reports of, investigating, and holding meetings with involved parents regarding, bullying incidents and (b) notifying parents of actions taken to prevent further incidents;
 3. require any school employee who witnesses bullying or receives a report of bullying to notify either the school climate specialist or the principal;
 4. require the specialist, rather than any school administrator, to investigate, or supervise an investigation of, the report; and
 5. develop plans addressing what the school will do to protect a targeted student from further bullying.
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PA 14-75—sSB 2

*Energy and Technology Committee
Finance, Revenue and Bonding Committee*

AN ACT CONCERNING ELECTRIC CUSTOMER CONSUMER PROTECTION

SUMMARY: This act changes laws concerning the electricity market for residential customers. In this market, residents may choose to purchase electricity from electric companies at the standard service rate or from electric suppliers at an electric generation service rate, which may be variable.

The act prohibits suppliers from raising rates for the first three billing cycles of new supplier contracts entered into on or after July 1, 2014. It also requires electric suppliers to notify residential customers in advance of certain rate changes and prohibits them from charging cancellation or early termination fees to residents who (1) move within the state and do not change suppliers or (2) lack a contract with a supplier and receive month-to-month variable rates. The act decreases the cap on such fees. It also requires electric companies to transfer eligible residential customers to standard service within 72 hours of their request.

The act requires the Public Utilities Regulatory Authority (PURA) to redesign the (1) standard billing format for residential customers' electricity bills; (2) customer account summaries on the electric companies' websites; and (3) rate board, the website that provides information on the rates of electric companies and electric suppliers. PURA must also develop a standard summary form of the terms and conditions of the contracts between electric suppliers and residential customers.

The act prohibits and restricts certain electric supplier marketing practices and also requires PURA to develop and implement additional standards for certain practices, including abusive switching practices, telemarketing, door-to-door sales, and the hiring and training of sales representatives.

The act requires electric companies and electric suppliers to distribute certain rate information in bills and mailings, and to facilitate the transfer of customers in a timely manner. It requires electric suppliers to disclose information on their highest and lowest rates charged in the previous year, and distribute that information online and with certain notices.

It also directs PURA to study the feasibility of switching certain vulnerable customers from electric suppliers to electric companies. If PURA's findings support it, PURA may order these customers to be placed on standard service.

EFFECTIVE DATE: Upon passage, except for (1) provisions (a) requiring supplier disclosure of the highest and lowest electric generator service rates and

(b) prohibiting suppliers from increasing rates in the first three billing cycles, which are effective July 1, 2014, and (2) a provision specifying that PURA may investigate the targeting of certain customers with artificially elevated electric generation services rates, which is effective September 1, 2014.

§ 1 — STANDARD BILLING AND ACCOUNT SUMMARY PAGE

Implementation and Timeline

The act requires PURA to initiate a docket to, among other things, redesign (1) the standard billing format to better enable customers to compare pricing policies and charges between suppliers and (2) customer account summaries on an electric company's website. PURA must open the docket by July 1, 2014 and issue a final decision within six months. It must implement the redesigned billing format and customer account summary by July 1, 2015 and change or repeal any regulations necessary to do so.

PURA must reopen the docket by July 1, 2020 and every five years thereafter to ensure that both the standard billing format and the account summary page continue to help customers compare electric suppliers' pricing policies and charges.

Requirements for Billing Format Redesign

PURA's final decision must require the first page of each electric company's residential customer bill to include:

1. the electric generation service rate, its term, and expiration date;
2. any change to the rate effective for the next billing cycle and, if there is a rate change, the cancellation fee;
3. notification of whether the rate is variable;
4. the standard service rate, its term, and expiration date;
5. the dollar amount that would have been billed under the standard service rate;
6. an electronic link to, or web address of, the rate board website; and
7. the company's telephone number and other information enabling the customer to obtain standard service.

(PA 14-94 limits this requirement to residential customers who are receiving electric generation service from an electric supplier.)

Temporary Requirements for Bill Inserts and Mailings

Beginning in June, 2014 and continuing quarterly for one year, the act requires electric companies to include, in a bill insert for each residential customer, (1)

the electric generation service rate, its term, and expiration date; (2) any change to the standard service rate within 45 days after its approval by PURA; and (3) the electric company's name before any reference to the term "standard service." (PA 14-94 requires these inserts to list (1) the standard service rate, instead of the electric generation service rate, and (2) any change to the standard service rate at least 45 days before it becomes effective, instead of within 45 days of its approval.)

During the same period, electric suppliers must include, in quarterly mailings to each of their residential customers, (1) the electric generation service rate, its term, and expiration; (2) any rate change applying to the next billing cycle and, if there is a change, the cancellation fee; (3) notification if the rate is variable; (4) the standard service rate, its term, and expiration rate; and (5) the dollar amount that would have been billed under the standard service rate.

§§ 1 & 3 — TRANSFER OF CUSTOMERS

In the same docket as the redesigns above, PURA's final decision must also assess the feasibility of:

1. an electric company transferring a residential customer receiving service from one electric supplier to another supplier in a timely manner and
2. ensuring the electric companies and relevant electric suppliers provide each other timely information to facilitate the transfer.

The act additionally requires electric companies to transfer eligible residential customers to standard service at their request within 72 hours. A transferred customer must stay on standard service through the remaining billing cycle. The act requires electric companies to transfer customers to an electric supplier's service within 45 days after receiving the enrollment from the supplier.

§§ 1, 2, & 4 — NOTIFICATION REQUIREMENTS

Rate Changes

By law, electric suppliers must provide written notice to residential customers of any change to the customer's electric generation price between 30 and 60 days before the expiration of a fixed-price term. The act requires electric suppliers to additionally provide written notice to any residential customer (1) 45 days before charging a month-to-month variable rate following the expiration of any contract entered into after June 3, 2014 and (2) 15 days before the effective date of any rate change that is 25% more than (a) the original contract price or (b) the last rate notification provided by the electric supplier. (PA 14-94 limits this second requirement to contracts entered into after the

requirement becomes effective. It also specifies that subsequent notice requirements apply to rate increases that are at least 25% higher than the most recent rate change notice.)

By law, electric suppliers may renew a contract by clearly informing the customer in writing, between 30 and 60 days before the renewal date, of the renewal terms and the option not to accept the renewal offer. The act requires this notice to include a summary of any new or altered contract terms.

Method of Notification

Under the act, customers must choose a written notice method for notifications at the time the contract is signed or verified through third-party verification. Available methods must include (1) U.S. mail, (2) email, (3) text messaging, (4) cellphone applications, and (5) PURA-approved third-party notification services. The act allows the customer to change the notification method at any time during the contract. In the same docket as the redesigns, PURA must assess the feasibility of allowing residential customers to choose how to receive information related to bill notices from among these options.

Highest and Lowest Rates

Beginning July 1, 2014, the act requires electric suppliers, as a condition of continued licensure, to disclose their highest and lowest electric generation service rates charged to any standard service eligible customer as part of a variable rate offer in each of the last 12 months. They must post this information monthly to their websites and make it available for publishing on PURA's website. (PA 14-94 specifies that the posted rates must only be those charged to customers with a peak demand under 50 kilowatts during a 12 month period. Peak demand for customers with multiple locations must be aggregated.)

The act also requires electric suppliers to include this information with the 45-day written notice required before charging a month-to-month variable rate after a customer's contract expires.

Electronic Billing

The act requires electric companies, starting July 1, 2015, to email a link to the customer's bill and payment confirmation to any residential customer who does not receive a bill through the mail and is enrolled in automatic electronic bill payments.

§§ 2-4 — RATES, FEES, AND MARKETING

Rates and Fees

The act prohibits suppliers from raising rates for the first three billing cycles of supplier contracts entered into on or after July 1, 2014.

It also lowers the cap on all termination or early cancellation fees to \$50. Prior law capped such fees at the lesser of \$100 or twice the estimated average monthly bill for energy services. The act also prohibits charging such fees to customers who (1) lack a contract with a supplier and receive month-to-month variable rates or (2) change residences within the state and remain with the same electric supplier. It specifies that nothing must prevent such a relocating customer from immediately receiving service from the same supplier.

Marketing Practices

The act prohibits representatives or agents of electric suppliers or aggregators from:

1. wearing apparel, carrying equipment, or distributing materials that include (a) the logo or emblem of an electric company or (b) any language suggesting a relationship that does not exist between an electric company, government agency, or other supplier or
2. making any statement suggesting a prospective customer is required to choose a supplier.

The act also requires each electric supplier to develop and implement standards and qualifications for employees and third-party agents engaged in the sale or solicitation of electric generation services.

By law, electric suppliers, aggregators, or their agents must, in a conspicuous part of any advertisement or disclosure that includes an advertised price, indicate the expiration of the advertised price in at least 10-point font. Under the act, they must also indicate any fixed or recurring charge, including any minimum monthly charge.

Development and Implementation of Additional Standards

Under the act, PURA must initiate a contested proceeding by July 1, 2014, and issue a final decision within six months to develop and implement standards for electric suppliers on (1) abusive switching practices, solicitations, and renewals; (2) the hiring and training of sales representatives; (3) door-to-door sales; and (4) telemarketing practices. The act requires PURA to alter or repeal any relevant regulations to accomplish this. The proceeding must also examine a disclosure statement for the suppliers' promotional materials directing customers to a supplier's highest and lowest rate charged as part of a variable rate offer in each of the

last 12 months to any customer eligible for standard service.

§ 4 — SUPPLIER CONTRACTS

Standard Summary Form for Electric Generation Services Contracts

The act requires PURA to initiate, by January 1, 2015, a contested proceeding to develop a standard summary form of the terms and conditions included in the residential customer contract for electric generation services.

The act requires the summary form to include:

1. the rate, its term, and expiration date;
2. whether the rate is fixed or variable;
3. whether the contract will automatically renew;
4. notice of the customer's right to cancel service;
5. information on the air emissions and resource mix of generation facilities operated by, and under long-term contract to, the electric supplier;
6. the supplier's trade name;
7. the supplier's toll-free telephone number for customer service;
8. the supplier's website; and
9. PURA's toll-free phone number for customer complaints.

Prior law required electric suppliers to provide all potential customers with a written notice describing (1) the rates; (2) information on the air emissions and resource mix of generation facilities operated by, and under long-term contract to, the supplier; (3) the terms and conditions of service; and (4) the customer's right to cancel the service. These requirements remain in effect for industrial and commercial customers. Beginning January 1, 2015, for potential residential customers, electric suppliers must instead provide the completed summary form of terms and conditions described above in the contract before initiating electric generation services. (PA 14-94 requires certain supplier notice requirements to remain in effect until the standard summary form required by this act is developed, rather than until January 1, 2015).

§§ 4 & 6 — HARDSHIP CASES AND OTHER CUSTOMERS

By law, PURA must investigate any possible anticompetitive or discriminatory conduct affecting the retail sale of electricity, or any unfair or deceptive trade practices. Effective September 1, 2014, the act specifies that PURA may investigate any targeting with artificially high electric generation service rates of customers who are eligible for standard service and who:

1. are hardship cases (see BACKGROUND),
2. have money deducted from a delinquent account by electric companies,
3. receive other financial assistance from an electric company, or
4. are otherwise protected by law from termination of electricity services.

The act also allows PURA to initiate a docket to review the feasibility, costs, and benefits of switching customers in these categories from electric suppliers to standard service. The act authorizes PURA, in its final decision, to order all such customers to be placed on standard service. If PURA issues this order, it must reopen the docket at least every two years.

§ 5 —RATE BOARD

The act requires PURA to redesign the rate board, the website that provides information on electric company and electric supplier rates, to better enable customers to compare pricing policies and charges among electric suppliers. Under the act, the redesign must:

1. reflect best practices of similar rate boards in other states;
2. develop a process to remove a supplier's price listing based on PURA's protocols; and
3. emphasize (a) uniformity in how suppliers provide information for each category on the rate board, (b) ease of use, and (c) ease of selecting and purchasing a specific contract from a listed supplier.

PURA must review the rate board by July 1, 2017 and every two years thereafter, making any improvements to ensure that it remains a progressive tool for customers to compare electric suppliers' pricing policies and charges.

BACKGROUND

Hardship Cases

By law, a "hardship case" includes any customer:

1. receiving local, state, or federal public assistance;
2. whose sole source of financial support is Social Security or Veterans' Administration or unemployment compensation benefits;
3. who is head of a household and is unemployed, with a household income less than 300% of federal poverty level (FPL);
4. who is seriously ill or who has a household member who is seriously ill;
5. whose income falls below 125% of the FPL; or

6. whose circumstances threaten a deprivation of food and the necessities of life for the customer or dependent children if payment of a delinquent bill is required.

PA 14-94—sSB 357

Energy and Technology Committee
Environment Committee

AN ACT CONCERNING CONNECTICUT'S RECYCLING AND MATERIALS MANAGEMENT STRATEGY, THE UNDERGROUND DAMAGE PREVENTION PROGRAM AND REVISIONS TO ENERGY AND ENVIRONMENTAL STATUTES

SUMMARY: This act makes numerous unrelated changes in the energy and environment statutes. Among other things, it:

1. (a) dissolves the Connecticut Resources Recovery Authority (CRRA) and establishes the Materials Innovation and Recycling Authority (MIRA) as a successor authority; (b) revises the authority's activities, powers, and purposes; and (c) requires the Department of Energy and Environmental Protection (DEEP) commissioner, with MIRA, to seek proposals to redevelop the Connecticut Solid Waste Management System Project;
2. requires the DEEP commissioner, in consultation with municipalities, to revise the state's solid waste management plan;
3. expands the DEEP-operated electricity purchasing pool and requires it to solicit proposals from Class II trash-to-energy facilities;
4. modifies certain product energy efficiency compliance standards;
5. requires new regulations for state building energy efficiency standards based on the federal Environmental Protection Agency's (EPA) national energy performance rating system and Energy Star Target Finder tool;
6. dissolves the Connecticut Energy Advisory Board (CEAB) and eliminates the request for proposal (RFP) process it had to conduct when applications for siting certain facilities were filed with the Connecticut Siting Council;
7. makes NuPower Thermal, LLC a thermal energy transportation company named the Bridgeport Thermal Limited Liability Company;

8. renames the Clean Energy Finance and Investment Authority (CEFIA) as the Connecticut Green Bank and expands its commercial property assessed clean energy program (C-PACE) to include microgrids;
9. increases the maximum length of the in-service date extension provided for certain Project 150 projects;
10. changes the maximum cable TV late charge to 8% of the balance due, instead of 8% of the balance due per year (§ 27);
11. allows electric companies to recover their costs, investments, and lost revenues incurred from on-bill repayment programs established for residential clean energy and heating equipment financing programs (§ 31);
12. entitles electric companies to recover costs incurred under certain DEEP-mandated power purchasing agreements;
13. expands the scope of, and makes several other changes to, the state's Call Before You Dig program;
14. allows the Public Utilities Regulatory Authority (PURA), under certain circumstances and in consultation with the Department of Public Health (DPH), to order a water company to extend its system to supply water to properties served by a deficient well system;
15. modifies how certain gas company revenues are used to offset the costs of expanding the company's infrastructure;
16. limits property tax exemptions for a solar thermal or geothermal energy system to the amount that the system's unconventional portions increase the property's assessed value;
17. modifies certain electric supplier consumer protections provided by PA 14-75; and
18. eliminates requirements that DEEP (a) identify solid waste facilities available for municipalities without landfills or certain disposal contracts and (b) submit reports on the state's electronics recycling program to the Environment Committee.

The act also makes numerous minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage, unless otherwise noted

§§ 1, 3-8, 10-15, & 17 — CRRA

§§ 1 & 5 — CRRA Dissolution

The act dissolves CRRA and establishes MIRA as a successor authority. It transfers CRRA's functions, powers, and duties to MIRA and eliminates a provision

granting the authority all the power it needs to meet its responsibilities (see BACKGROUND).

§§ 5-8, 15, & 17 — Authority Activities, Powers, and Purposes

The act revises the authority's activities, powers, and purposes by:

1. eliminating its (a) power to condemn real property for public purposes, (b) ability to help DEEP prepare and revise the solid waste management plan, and (c) ability to appoint advisory councils on things such as source-separation and recycling;
2. expanding its ability to do anything necessary to conduct its comprehensive solid waste program by including reuse and recycling;
3. reducing the number of votes needed, from two-thirds to a simple majority of its board of directors, to approve the authority's annual operations plan;
4. specifying that its purposes exclude activities on statewide recycling education and promoting or establishing statewide solid waste management or policy;
5. decreasing, from 70 to 45 people, the statutory cap on how many people the authority may employ;
6. requiring a two-thirds vote of the authority's board before spending \$50,000 or more for an outside consultant; and
7. allowing the municipal officials on the authority's board to be municipal employees with extensive public works or waste management and recycling experience.

The act also limits the authority's purpose of helping develop industry, technology, and commercial enterprise related to certain solid waste processes in the state. It does so by requiring the development to be (1) on the authority's property, (2) in consultation with the DEEP commissioner, and (3) according to the statewide solid waste management plan.

§ 3 — Connecticut Solid Waste System Project Redevelopment

The act requires the DEEP commissioner, by January 1, 2016, to request proposals from solid waste materials management services providers to redevelop the Connecticut Solid Waste System Project. He must do this in consultation with MIRA. The types of services involved may include such things as recycling, reuse, and energy and fuel recovery, but not waste collection or transportation services.

Of the submitted proposals, the commissioner may select up to three providers to each conduct a feasibility study with MIRA's cooperation. Any study must be finished by January 1, 2017, with the final proposal submitted to the commissioner by July 1, 2017. The commissioner must (1) allow the public to review and comment on a study and (2) submit a report on the proposals' nature and status to the Energy and Technology, Environment, and Legislative Management committees by September 15, 2017. The Energy and Technology and Environment committees can hold a joint public hearing on the report within 30 days after receiving it, at which the commissioner, or his designee, must testify and take comments from the committee.

By December 31, 2017, the commissioner must choose one final proposal and direct MIRA to enter into an agreement with the selected provider to redevelop the project. The act requires the commissioner to consider the following factors when choosing the final proposal:

1. consistency with the waste management goals and strategies provided in the state's solid waste management plan (see below);
2. whether the proposal is in the best interest of municipalities contracting with MIRA, including maintaining or reducing current tipping fees for contracted waste;
3. the provider's proposed investment level;
4. potential positive impacts on the state's economic development;
5. public comments on the feasibility studies; and
6. other factors consistent with the act that the commissioner considers relevant to redeveloping the Connecticut Solid Waste System Project.

The act specifies that selection of a final proposal must not be construed as a legislative mandate on MIRA's ability to require customers to remain under contract.

§ 4 — *Nonprofit Recycling Foundation and Council*

The act establishes a non-stock, nonprofit corporation called Recycle CT Foundation, Inc. as a state-chartered foundation organized under Connecticut law. It requires the foundation to:

1. target and promote coordination and support of research and education activities and public information programs to increase the state's reuse and recycling rate, according to the state's solid waste management plan and
2. receive, administer, and disburse gifts, grants, endowments, or other funds to support solid waste management research and education activities.

It also creates the Recycle CT Foundation Council and requires it to seek nonprofit tax-exempt status. The council must solicit and accept funds for Recycle CT Foundation, Inc., which must be used for grants to programs that seek to increase solid waste material reuse and recycling in Connecticut.

The council must prescribe the grant application form and set the criteria and procedures for awarding the grants. Possible grant recipients must apply to the council and may include nonprofits, civic and community groups, schools, public agencies, municipalities and regional entities that represent them, and private-sector organizations.

The council consists of the following 11 members:

1. the DEEP and economic and community development commissioners or their designees;
2. five gubernatorial appointees; and
3. four members, one each appointed by the House speaker, Senate president pro tempore, and the House and Senate minority leaders.

The governor appoints the council's chairperson whose term is coterminous with the governor's. The other council members serve up to three two-year terms. Council vacancies must be filled by appointing authorities and members receive no compensation for their service.

§§ 10-14 & 82 — *CRRA Ash Residue Disposal Areas*

The act repeals CRRA's authority to establish up to four ash residue disposal sites in the state. CRRA has not established an ash disposal site in the state, and in 2009 it resolved to indefinitely suspend efforts to develop one.

EFFECTIVE DATE: Upon passage, except for the staffing reduction provision and a technical change, which take effect January 1, 2015.

§ 2 — *SOLID WASTE MANAGEMENT PLAN*

By law, the state's solid waste management plan provides goals and strategies and establishes a priority order for managing solid waste generated in the state. The act requires the DEEP commissioner to revise the plan by July 1, 2016 and consult with municipalities when doing so. As part of the revision process, the commissioner must submit the revised plan to the Environment Committee by February 1, 2016. The committee can hold a hearing within 30 days after receiving the plan, at which the commissioner, or his designee, must testify and take comments from the committee.

Prior law required the plan to include a strategy to recycle at least 25% of the state's solid waste. The act (1) includes source reduction and reuse in the strategy and (2) increases the percentage to at least 60% of the

solid waste generated after January 1, 2024. It also requires the new strategy to include (1) modernizing solid waste management infrastructure throughout the state, through the efforts of private, public, and quasi-public entities; (2) promoting organic materials management; and (3) recycling construction and demolition debris.

Prior law required the strategy to include, among other things, recommendations for assigning municipalities to regional recycling programs. The act instead requires the recommendations to be for developing municipal or regional recycling programs.

§ 9 — ELECTRICITY PURCHASING POOL

Pool Purpose and Municipal Grants

By law, DEEP operates a purchasing pool to buy electricity for state operations and certain low-income households. The act expands the pool's purpose to include buying electricity for municipal operations in municipalities that elect to participate. It also authorizes the DEEP commissioner to provide grants to municipalities that join the pool and commit to achieve the state's diversion, recycling, and reuse goals, including those provided in the state's solid waste management plan.

Electric Supplier Proposals

When operating the purchasing pool, the act allows the commissioner, on behalf of any state agency, municipality, or institution of higher education, to solicit proposals from electric suppliers for electric generation services to (1) buy electricity for state and municipal operations and (2) meet the state's energy policy goals described in the commissioner's comprehensive energy strategy.

The act requires the commissioner, by January 1, 2020, to solicit proposals from retail electric suppliers for the state and any participating municipality or higher education institution. He must conduct at least one solicitation by January 1, 2015. Any proposal responding to a solicitation for 370,000 or fewer megawatt hours of electricity per year must include at least 60% of its power from Class II renewable energy sources generated at permitted trash-to-energy facilities built by January 1, 2013.

The commissioner must choose the electric service based on criteria such as the (1) delivered price; (2) Class II facility's practices to further the state's diversion, reduction, reuse, and recycling goals; and (3) degree to which a proposal includes a greater (a) percentage of trash-to-energy in the fuel mix and (b) number of trash-to-energy facilities involved. The commissioner must select proposals that meet these requirements by January 1, 2020. They must provide at

least 370,000 megawatt hours of electricity per year for a total of at least five consecutive years with at least 60% of it supplied from Class II renewable energy sources.

The act caps the (1) term of any selected proposal at five years and (2) price at one-half cent per kilowatt hour above the standard generation service price when the solicitation is issued.

If no proposal includes at least 60% of its power from Class II renewable energy sources generated at permitted trash-to-energy facilities built by January 1, 2013, the act allows the commissioner to select proposals with the highest percentage of electricity from these Class II sources. The same price cap applies.

If the purchasing pool exceeds 370,000 megawatt hours per year, the additional power selected by the commissioner does not need to meet the 60% Class II requirement, but must meet the other selection criteria as described above.

Municipal Electric Energy Cooperatives

The act allows the Connecticut Municipal Electric Energy Cooperative (CMEEC), which supplies power for municipal electric utilities, to contract with the purchasing pool or any energy improvement district to buy and sell power. CMEEC cannot charge any electric cooperative participant for the costs directly associated with, or reasonably allocable to, seeking to provide or providing these generation services. When supplying power to the purchasing pool or an energy improvement district, CMEEC must comply with the state's renewable portfolio standard but is not subject to licensing requirements for electric suppliers.

§ 16 — SOLID WASTE FACILITY PERMITS

By law, solid waste facilities must obtain modified permits before they substantively change their volume process or operation. The act exempts a facility from this requirement if it (1) adds 75 tons or less per day of mattresses and items designated by the DEEP commissioner for recycling, but not storage batteries and waste oil; (2) does not exceed its permitted storage capacity; and (3) notifies the commissioner of the addition in writing within 30 days after adding the recyclables.

§ 18 — PRODUCT ENERGY EFFICIENCY STANDARDS

The law subjects a variety of products (e.g., commercial clothes washers and DVD players) to state energy efficiency standards and requires their manufacturers to certify their compliance with DEEP. The act limits this requirement to those products (1) for which DEEP adopted efficiency standards and (2) that do not have efficiency standards in California. It also

requires DEEP to publish on its website a list showing whether covered new products are certified in California or, if not, have met DEEP's efficiency standards.

EFFECTIVE DATE: October 1, 2014

§ 19 — STATE BUILDING ENERGY EFFICIENCY STANDARDS

New Standards

The act requires the DEEP commissioner, in consultation with the commissioner of the Department of Administrative Services (DAS), to adopt new regulations for state building construction standards, including a standard for including electric vehicle charging stations. The standards under the new regulations must achieve at least 75 points on the EPA's national energy performance rating system, as determined by its Energy Star Target Finder tool. (The Target Finder tool is an online calculator to help architects, engineers, and property owners assess the energy performance of commercial building designs.) The DEEP commissioner must adopt the regulations by January 1, 2015 and may update them if he deems it necessary.

Exemptions

The act also modifies the exemptions to the regulations for state building construction standards. Prior law required the DEEP commissioner, in consultation with the DAS commissioner and the Institute for Sustainable Energy, to exempt a facility from complying if the cost of compliance significantly outweighed the benefits. The act establishes a more specific standard by limiting exemptions to instances where the measures needed to comply with the regulations are not "cost effective" (i.e., savings from the measures over a 10-year period do not exceed the costs). It also adds the Office of Policy and Management (OPM) secretary to the entities with whom the DEEP commissioner must consult before granting this exemption.

Under the act, the DEEP commissioner, in consultation with the DAS commissioner and the Institute for Sustainable Energy, must also exempt any facility if, under the new regulations, it cannot be defined as an eligible building type by EPA's Energy Star Target Finder tool. Under these circumstances, the act requires the exempt facility to meet the more stringent requirement of (1) exceeding, by at least 20%, the energy building construction standards of the 2007 American Society of Heating, Ventilating, and Air Conditioning Engineers Standard 90.1 or (2) adhering to the current State Building Code.

EFFECTIVE DATE: October 1, 2014

§§ 20, 22, 26, 28, 30, 36, 48, 49, 52, 55, 63, & 82 — CEAB AND SITING COUNCIL RFP PROCESS

The act dissolves CEAB, a nine-member board that, among other things, reported to the General Assembly on the status of DEEP programs and reviewed requests from the General Assembly. Prior law also required it to issue RFPs for alternative sites when applications for siting certain electric transmission lines, fuel transmission facilities, large electric generation facilities, or electric substations were filed with the Connecticut Siting Council. The act eliminates this RFP process.

§ 36 — Siting Council Deadlines

The act potentially accelerates the deadline for certain Siting Council decisions on siting facilities which, under prior law, triggered CEAB's RFP process. Under the act, the Siting Council must issue a decision:

1. within 12 months after an application for siting electric transmission lines or fuel transmission facilities is filed, instead of within 12 months after the application deadline, and
2. within 180 days after an application for siting a large electric generation facilities or electric substation or switchyard is filed, instead of within 180 days after the application deadline.

§ 21 — THE BRIDGEPORT THERMAL LIMITED LIABILITY COMPANY

The act makes NuPower Thermal, LLC a thermal energy transportation company named Bridgeport Thermal Limited Liability Company for an unlimited duration in the city of Bridgeport. The company or its parent, subsidiary, or affiliate can (1) provide heat, air conditioning, or both, from plants in Bridgeport; (2) install and maintain mains, pipes, or other fixtures on public grounds for this purpose; and (3) lease its plants or distribution systems to other entities authorized to furnish heat, air conditioning, or both. The company's members must determine capital contribution requirements for members and the number of authorized membership units.

§§ 23-24 & 29 — CEFIA

§ 29 — CEFIA Name Change

The act renames CEFIA as the Connecticut Green Bank ("Green Bank") and makes it a successor agency to CEFIA for purposes of administering the Clean Energy Fund.

§ 23 — C-PACE Microgrids

The act expands the projects eligible to participate in the C-PACE program to include microgrids, and their related infrastructure, that incorporate clean energy. By law, C-PACE allows the Green Bank to enter into agreements with commercial property owners in participating municipalities to finance energy efficiency or renewable energy improvements. The cost of the improvements is repaid by an assessment on the property, backed by a lien.

By law, a “microgrid” is a group of interconnected electricity users and generators that (1) is within clearly defined boundaries, (2) acts as a single controllable entity in respect to the larger grid, and (3) can operate as either a part of the grid or independently. “Clean energy” includes, among other sources, solar photovoltaic, wind, fuel cells, and certain types of hydropower.

§ 24 — Residential PACE Study

The act requires the Green Bank, by January 1, 2015, to submit a report to the Energy and Technology Committee on a residential property assessed clean energy program. The report must evaluate the (1) potential consistency between such a program and C-PACE and similar national programs and (2) legal framework and need for a program. (State law allows a residential PACE program, however implementation has been effectively blocked by the Federal Housing Finance Agency.)

§ 25 — PROJECT 150 EXTENSIONS

The law requires (1) electric companies to enter into long-term contracts to buy 150 megawatts of power produced at renewable energy plants (Project 150) and (2) PURA to grant an in-service date extension of up to 24 months to requesting Project 150 plants with less than a 5 megawatt capacity. The act increases this extension to up to 36 months and requires the (1) requesting project to start construction by April 30, 2015 and (2) related power procurement contract to have been previously approved by PURA.

§§ 32-35 — ELECTRIC COMPANY COST RECOVERY

Prior law allowed the DEEP commissioner, under certain conditions, to solicit proposals from Class I renewable energy sources built on or after January 1, 2013. The act instead requires him to solicit such proposals.

The law also allows him, under certain conditions, to solicit proposals from (1) Class I resources built before January 1, 2013 or large-scale hydropower and (2) Class I run-of-the-river hydropower, landfill methane gas, or biomass resources. It additionally requires him to solicit proposals from operational Class I providers if he finds that a material shortage of Class I resources caused an electric company or electric supplier to fail to meet its Renewable Portfolio Standard (RPS) obligations.

By law, if the commissioner finds that any of the above solicited proposals meet certain criteria, he may (or in the case of an RPS-related shortage, must) direct the electric companies to enter into agreements with the providers to purchase energy, generating capacity, and environmental attributes (e.g., the renewable energy credits used to comply with the RPS), subject to PURA approval. The net costs of the agreements must be recovered through a fully reconciling component of electric rates for all of the electric companies’ customers.

Prior law allowed these recoverable net costs to include reasonable costs incurred by electric companies under these provisions. The act instead requires them to include the (1) costs incurred under such agreements and (2) reasonable costs incurred in connection with them.

§§ 38-47 — CALL BEFORE YOU DIG

The act expands the scope of, and makes several changes to, the state’s Call Before You Dig program, which requires public utility companies to file the locations of their underground facilities (e.g., pipelines) with a PURA-supervised central clearinghouse. People must notify the clearinghouse before commencing certain projects. The clearinghouse then notifies the utility, which provides its facilities’ approximate underground location.

§§ 38 & 39 — Covered Utilities and Projects

The act changes the definition of “public utility” to (1) include owners or operators of underground facilities that furnish communications or fire signal services and (2) exclude owners of facilities that provide a utility service solely for the owner’s private residence. It also broadens the definition to include any services similar to those specified in law.

By law, any person, public agency, or public utility must notify the central clearinghouse when they propose to excavate, discharge explosives at or near the location of public utility facilities, or demolish a structure containing a public utility facility. The act expands this requirement to include all discharge of explosives, regardless of location, and all demolitions. It also

expands the definition of “excavation” to include reclamation processes, milling, and dredging (except for dredging associated with the production and harvesting of aquaculture crops).

§§ 38 & 40 — *Underground Facility Locations*

The law requires a utility to identify a strip of land up to three feet wide when providing the approximate location of its underground facilities. The act increases the location’s precision by requiring the strip of land to be centered on the underground facility’s actual location.

Prior law required public utilities to file their underground facilities’ location (except for storm sewers) by reference to a PURA-established standard grid system. The act instead requires them to register the geographic areas in which they own or operate any underground facilities by reference to a standard mapping system established by the clearinghouse.

§§ 42 & 44 — *Notice Requirements*

Prior law required a person to notify the clearinghouse (1) between two and 30 days before starting a project and (2) if the project did not start within 30 days of the notice. The act deletes the statutory requirements concerning the notification timeline and methods and instead directs PURA to promulgate regulations to govern this process.

Under certain emergency circumstances, prior law allowed an excavation or demolition to proceed without meeting the notice requirements as long as notice was given by telephone as soon as reasonably possible. The act instead allows this notice to be given in any form.

§ 45 — *Precautions for Combustible or Hazardous Fluids or Gases*

The act expands a requirement to use hand digging around certain combustible utility facilities. Prior law required it whenever gas facilities were likely to be exposed, but the act instead requires it when an excavation is within the approximate location of any facilities containing any combustible or hazardous fluids (e.g., oil) or gases. In addition to hand digging, it allows “soft digging,” a non-mechanical and nondestructive process using high pressure water or an air jet to break up the soil. It also requires such precautions whenever excavation is in the approximate location of these facilities.

§§ 38 & 46 — *Damage*

The law requires a person to immediately notify a utility if he or she makes contact with, damages, or suspects that he or she damaged the utility’s

underground facilities. Prior law specified that the substantial weakening of a utility line’s structural or lateral support was considered “damage.” The act instead specifies that “damage” includes the substantial weakening of a utility facility’s structural or lateral support that imperils its continued integrity.

EFFECTIVE DATE: October 1, 2015

§§ 50 & 53 — *WATER SYSTEM EXTENSIONS*

The act expands PURA’s jurisdiction over troubled water providers to include deficient well systems, under certain circumstances. It allows PURA to order an investor-owned water company to extend its system to supply water to properties that PURA determines are served by a deficient well system. But it must do so only (1) in consultation with DPH, (2) at an investor-owned water company’s request, and (3) if the costs are reasonable. The company may recover any costs of such an extension as they would for other PURA-ordered acquisitions of troubled water companies (i.e., through a rate surcharge).

Under the act, deficient well systems serve existing properties within a defined geographic area with at least 25 people served by private wells that:

1. fail to meet public health standards for potable water;
2. have had state funding for filters to address documented groundwater contamination discontinued;
3. are otherwise unable to serve the properties with adequate water quality, volume, or pressure; or
4. limit the system’s on-site resolution of documented wastewater disposal issues.

As with other water companies that have not complied with certain PURA or DPH orders or are not economically viable, the act also allows PURA, in consultation with DPH, to order a private or public entity to acquire the deficient well system. It can issue such an order after notice and hearing and considering various factors, including (1) the geographical proximity of the acquiring entity’s plant to the well system; (2) whether the acquiring entity can operate in a reliable and efficient manner to provide continuous, adequate service to the wells system’s users; (3) the acquiring entity’s current rates; and (4) any other factors PURA deems relevant (CGS § 16-262o).

§ 51 — *GAS EXPANSION NONFIRM MARGIN CREDITS*

Ratepayer Credits

The gas companies provide gas on a nonfirm (interruptible) basis to some of their nonresidential customers and receive a credit for providing this

service. Prior law required PURA to assign at least half of this nonfirm margin credit to offset the rate base of the gas companies, the costs of which are recovered from ratepayers. The act instead requires this portion of the nonfirm margin credit to be credited to ratepayers through a purchased gas adjustment clause.

Offset of Expansion Costs

The law also requires PURA to assign the lesser of (1) half of this credit or (2) \$15 million annually from the credit, for the companies to offset their expansion costs. However, under prior law, these funds could only be applied to offset the costs of expanding to new state, municipal, commercial, or industrial customers when it provided societal benefits (e.g., retained employment or local economic development). The act instead allows these funds to be used to offset the costs of expanding to any type of customer, regardless of whether it provides societal benefits.

Hurdle Rate

By law, when a gas company seeks to expand its distribution system, it determines whether the projected new distribution revenues will equal or exceed the cost of the expansion over a 25-year period (i.e., the “hurdle rate”). If the expansion will pay for itself in this period, all gas ratepayers pay for it in rates. If it does not, the new customers must pay for the shortfall. The act requires PURA, when establishing a hurdle rate, to also consider the nonfirm margin credits the gas company can use to offset its expansion costs.

§ 54 — NONPROFIT METER AGGREGATION STUDY

The act requires PURA to study the feasibility of allowing a nonprofit entity to aggregate its billable electric meters. The study must include potential costs and benefits to electric ratepayers for allowing the aggregation. PURA must submit its findings and recommendations to the Energy and Technology Committee by January 1, 2015.

§§ 56 & 57 — SOLAR THERMAL AND GEOTHERMAL ENERGY SYSTEM PROPERTY TAX EXEMPTIONS

The law provides property tax exemptions, subject to certain conditions, for residential, agricultural, commercial, or industrial installations of solar thermal (e.g., solar heated water) or geothermal energy systems. The act limits this exemption to the amount that the system’s unconventional portion increases the property’s assessed valuation. The added value of the system’s “conventional portion,” which presumably

includes pipes and other conduits that might exist on a property without the installed system, is not exempted. This exemption applies to (1) residential or agricultural systems installed on or after October 1, 2007 and (2) commercial or industrial systems installed on or after January 1, 2014.

For commercial or industrial systems installed on or after January 1, 2014, including Class I systems, the law also requires the system’s nameplate capacity to be less than its location’s load (i.e., it cannot produce more power than necessary for its site). The act specifies that for Class I systems participating in virtual net metering, this limit applies to the systems’ aggregated load. (Virtual net metering allows the energy generated by certain renewable energy systems to be shared among various metered users. Thus, under the act, the exempt system’s capacity cannot exceed these users’ combined demand.)

EFFECTIVE DATE: Upon passage and applicable to assessment years starting on and after October 1, 2014.

§§ 58-62 — ELECTRIC SUPPLIER CONSUMER PROTECTIONS

§ 58 — Electric Company Bills

PA 14-75 requires PURA to redesign electric bills so that electric companies must include certain information on the front page of their residential customers’ bills. The act limits this requirement to the bills for residential customers who are receiving electric generation service from an electric supplier.

§ 59 — Electric Company Billing Inserts

PA 14-75 requires electric companies, for the next year, to send quarterly bill inserts with certain information to residential customers. The act requires these inserts to list (1) the standard service rate, instead of the electric generation service rate, and (2) any change to the standard service rate at least 45 days before it becomes effective, instead of within 45 days after PURA approved it.

§ 60 — Supplier Disclosure of Highest and Lowest Variable Rates

PA 14-75 requires electric suppliers to monthly post their highest and lowest variable rates charged to any standard service-eligible customer in each of the past 12 months. The act specifies that these posted rates must only be those charged to customers with a peak demand less than 50 kilowatts during a 12-month period for all of a customer’s meters (i.e., the peak demand for customers with multiple locations must be aggregated).

EFFECTIVE DATE: July 1, 2014

§ 61 — Contract Summary Forms

The act requires certain electric supplier notice requirements to remain in effect until the standard summary form required by PA 14-75 is developed, rather than until January 1, 2015 (the deadline by which PA 14-75 requires PURA to start developing the summary form).

§ 62 — Supplier Notice of 25% Rate Increases

PA 14-75 requires electric suppliers to notify customers of any 25% rate increases. The act limits this requirement to contracts entered into after June 6, 2014. It also specifies that the first notice requirement applies to rate increases that are 25% more than the original contract price, and subsequent notice requirements apply to rate increases that are 25% more than the most recent rate change notice.

§§ 64-82 — ADMINISTRATIVE STREAMLINING AT DEEP

§§ 64-65 & 67-81 — Solid Waste Management Plans

Prior law required the DEEP commissioner to prepare a temporary state solid waste management plan that was effective until a subsequent statewide plan was adopted. The statewide solid waste management plan was adopted in 1991 and amended in 2006. The act repeals the temporary plan requirement and replaces references to it with ones to the current statewide plan. (Section 3 of this act requires DEEP to revise the current plan by July 1, 2016.)

The act also repeals a requirement that municipalities with landfills to be closed by October 1, 1986 submit solid waste management plans to the commissioner and regional planning agencies for review and approval.

§ 66 — Electronics Recycling Program Reports

The law requires the DEEP commissioner to prepare an (1) electronics recycling plan establishing collection and recycling goals and necessary actions every three years and (2) annual report on the electronics recycling program's status. The act eliminates the requirement that copies of the plan and report be submitted to the Environment Committee. It requires the annual report to be posted on DEEP's website, as is currently required for the recycling plan.

§ 82 — Identifying Solid Waste Facilities

The act repeals a statute requiring the DEEP commissioner to identify solid waste facilities with capacity to accept waste from municipalities without

landfills or certain disposal contracts. Prior law required him to do this when the chief executive officer of a municipality without a landfill or contract for disposal at a waste-to-energy plant or incinerator requested it.

EFFECTIVE DATE: Upon passage, except for the electronics recycling program provision, which takes effect October 1, 2014 and a conforming change, which takes effect January 1, 2015.

BACKGROUND

MIRA's Functions, Powers, and Duties

MIRA, formerly CRRA, is a quasi-public agency that, among other things, builds and operates solid waste disposal, recycling, and resources recovery facilities. Its powers include:

1. employing staff and setting staff responsibilities and compensation,
2. entering into contracts or agreements,
3. charging reasonable fees for its services,
4. investing funds not needed for immediate use, and
5. adopting regular procedures (CGS § 22a-265a).

PA 14-134—sHB 5115

Energy and Technology Committee

AN ACT CONCERNING TECHNICAL AND MINOR REVISIONS TO AND REPEAL OF OBSOLETE PROVISIONS OF ENERGY AND TECHNOLOGY STATUTES

SUMMARY: This act makes several unrelated changes in the energy and public utility statutes. It:

1. makes a minor change in the law governing virtual net metering, which allows certain electric customers to share a billing credit they receive when they generate power using renewable energy technologies;
2. explicitly exempts entities that submeter (e.g., a campground that measures electric use at individual campsites) from the laws and regulations that apply to electric companies;
3. prohibits those who receive an upfront incentive for installing residential solar panels from also benefitting from the net metering law; and
4. makes numerous technical changes that, among other things, eliminate obsolete provisions (e.g., those regulating telegraph companies) and correct statutory references.

EFFECTIVE DATE: Upon passage, except for technical changes regarding geographic information systems (§ 79), installation of oil burners and related

equipment (§ 109), pipeline safety (§ 111), installation of gas equipment and piping (§ 112), and storage of liquefied petroleum gas (propane) (§ 114), which are effective January 1, 2015.

VIRTUAL NET METERING

By law, municipal, state agency, and agricultural electric customers that install specified renewable generation systems (“hosts”) are eligible to receive a billing credit for power they generate and provide to the grid. The customers can share this credit with certain other customers (“beneficial accounts”). The total amount of the credits is capped at \$10 million and each of the three categories of hosts is limited to 40% of this amount. The act specifies that the 40% limit also applies to the beneficial accounts of these three categories of hosts.

RESIDENTIAL SOLAR INCENTIVE

Connecticut’s Green Bank (formerly known as the Clean Energy Finance and Investment Authority) offers direct financial incentives for purchasing or leasing certain residential photovoltaic (i.e., solar power) systems. The incentive can be paid out on either a per kilowatt-hour basis or as a one-time upfront incentive based on expected system performance. The act amends a statutory reference regarding the one-time upfront financial incentive. Prior law prohibited customers who receive this incentive from receiving an additional credit but, through an incorrect statutory reference, did not specify which credit was additionally prohibited. (In practice, the Green Bank prohibited such customers from also receiving zero-emission renewable energy credits.) The act instead specifies that these customers cannot also receive net metering credits (i.e., electric billing credits generated when their solar systems produce more power than the customer uses).

PA 14-136—HB 5117

Energy and Technology Committee

AN ACT CONCERNING A CLEAN ALTERNATIVE FUEL VEHICLE PROCUREMENT PREFERENCE

SUMMARY: This act allows the administrative services commissioner, when determining the lowest responsible qualified bidder for a state contract, to give a price preference of up to 10% for (1) vehicles fueled by hydrogen or propane and (2) conventional vehicles and the equipment to convert them to ones powered by (a) hydrogen, (b) propane, or (c) a combination of conventional fuel and hydrogen or propane. Existing

law allows the commissioner to apply the same price preference to electric- or natural-gas-powered vehicles and their related conversion equipment, among other things.

EFFECTIVE DATE: October 1, 2014

PA 14-151—sHB 5408

Energy and Technology Committee

AN ACT CONCERNING TREE TRIMMING

SUMMARY: This act makes several changes in the process telephone, telecommunications, and electric distribution companies (“utilities”) must follow before conducting vegetation management (pruning or removing any trees or shrubs around their poles and wires). Among other things, it:

1. requires a utility to obtain written affirmative consent from a private property owner (including a municipality) before conducting vegetation management on a tree or shrub that is on the owner’s property and outside the public right-of-way (which typically includes the land up to, and including, the sidewalk);
2. expands the information a utility must include in its notice to a property owner about proposed vegetation management to include (a) instructions on how to object and (b) an option for a property owner to modify the utility’s proposal;
3. standardizes the deadlines to object to proposed vegetation management, regardless of how notice was delivered;
4. requires the pruning allowed as part of a utility’s vegetation management to (a) be done in a manner that retains the pruned vegetation’s structural integrity and health and (b) meet goals limited to the utility’s infrastructure reliability;
5. requires the Public Utilities Regulatory Authority (PURA) to study, and eventually allow, parties to mediate their vegetation management disputes;
6. requires each utility to operate an email account to receive objections, modification requests, questions, and complaints about the vegetation management process; and
7. requires the Department of Energy and Environmental Protection (DEEP) to review each electric company’s vegetation management practices and report to the Energy and Technology Committee.

Additionally, if a property owner objects to a utility's proposed vegetation management and the case is appealed to PURA, the act requires the utility to prove that public convenience and necessity require the contested proposal.

EFFECTIVE DATE: Upon passage

NOTICE REQUIREMENTS

Subject to certain restrictions, the law generally allows utilities to conduct vegetation management anywhere in their "utility protection zone" (within eight feet of either side of their wires and anywhere vertically above or below them) on trees, shrubs, or other vegetation that pose a risk to their infrastructure's reliability. It also requires them to notify any abutting property owners.

The act extends the notice requirement to private property owners, which it defines as the owners of property, including municipalities, where the trees or shrubs subject to the proposed vegetation management are located. It allows the notice to be sent to abutting or private property owners by email or text message as alternatives to first class mail. It specifies that abutting property owners own the property abutting or adjacent to the portion of the public road, public highway, or public grounds where the trees or shrubs subject to the proposed vegetation management are located.

The act requires a utility's notice to property owners to inform them that they can, in writing, consent, object, or offer modifications to the proposed vegetation management. The notice must also state that an owner who objects will not be billed for any damage caused by trees falling on any utility infrastructure. If requested by a private property owner, the utility, municipality, or transportation commissioner, as appropriate, must inform the property owner if the proposed vegetation management is on his or her private property.

The notice must also include instructions on how the recipient can object. The act allows abutting property owners to object or request a modification by sending a written or emailed objection or modification request to the utility or tree warden at the address for each specified in the notice. If an abutting property owner sends a written objection, it must be deemed received on the date it is postmarked. By law, unchanged by the act, the notice must also indicate that a property owner (1) must file a written objection within 10 business days and (2) can request a consultation with the local tree warden or transportation commissioner, as appropriate.

Hazardous Trees

Prior law did not require any notice for utilities to perform vegetation management on trees that endanger their infrastructure because they are dead, decayed, or structurally weak ("hazardous trees"). When such a tree is outside of the public right-of-way, the act requires a utility to make a reasonable effort to notify the affected property owner at least three days in advance.

DEADLINES TO OBJECT

Prior law required a utility conducting vegetation management to notify abutting property owners at least 15 business days before the scheduled vegetation management and give them at least 10 business days to object before proceeding. The notice could be (1) delivered by first class mail, (2) deposited at the property, or (3) delivered orally and in writing. Under the last option, the utility could proceed any time after giving the notice, as long as the owner had (1) not filed a written objection within 10 business days of receiving the notice or (2) waived the right to object in writing.

The act allows the notice to be delivered the same ways, but instead requires all notices to be delivered at least 15 business days before the scheduled vegetation management, regardless of how the notice is delivered. For vegetation management outside the public right-of-way, the utility cannot proceed until it receives a notified private property owner's written affirmative consent. (In such instances, the property owner can withhold consent and will not have to object in order to stop the vegetation management.) By law, the utility can otherwise proceed with vegetation management on a public road, highway, or grounds if it does not receive an objection from an abutting property owner within 10 business days after delivering the required notice.

Permits

The act specifies that before proceeding, the utility must obtain a permit, as already required by law, from the local tree warden, transportation commissioner, or other authority with jurisdiction over cutting or removing trees or shrubs on public road or grounds. If the permit is denied and the utility appeals to PURA (as allowed by law), the act requires the utility to prove that public convenience and necessity require its proposed vegetation management.

OBJECTIONS, MEDIATION, AND APPEALS

By law, if an abutting property owner objects to a utility's proposed vegetation management, the objection is decided by the local tree warden or transportation commissioner, as appropriate. Either party can then appeal to PURA. The act requires the utility in such

appeals to prove that its proposed vegetation management is required for public convenience and necessity. It also (1) extends the entire appeals process to instances when the utility does not accept a private property owner's proposed modifications, as allowed under the act's notice requirement, and (2) requires PURA's hearing on the appeal to be held within 60 calendar days, instead of 60 business days.

Mediation

The act requires PURA to study, as part of a proceeding already required by law, (1) using mediation to resolve objections to proposed vegetation management and (2) the circumstances under which stump grinding can be performed within the utility protection zone. Utilities must be able to recover all reasonable incremental costs incurred from any resulting PURA directives through the non-bypassable federally mandated congestion charge (the FMCC charge on electric bills).

Once PURA issues its final decision on this study, the act requires the parties in an appeal to have a mediation session with a PURA-designated mediator before PURA hears the appeal, unless the abutting property owner chooses to opt-out of the mediation. The mediator must (1) notify the parties and the deciding tree warden or transportation commissioner, as applicable, and (2) hold the mediation within 30 calendar days after one of the parties appeals to PURA.

If the mediation fails to resolve the appeal, PURA must hold a hearing within 30 calendar days after the mediation concluded. If the abutting property owner elects not to undergo mediation, PURA must hold a hearing within 60 calendar days after receiving the appeal. The parties and the entity that issued the original decision must be notified of the hearing, at which the utility must prove that public convenience and necessity require the proposed vegetation management. PURA can authorize the pruning, removal, or stump grinding of any tree or shrub if it finds that public convenience and necessity require it.

DEEP Vegetation Management Review

Within one year after PURA issues its final decision on utility company tree trimming practices, including the above mediation study, the act requires DEEP to review each electric company's vegetation management practices and issue a report on them to the Energy Committee. Thereafter, DEEP must review these practices and issue a report to the Energy Committee every two years.

PA 14-152—sHB 5410

Energy and Technology Committee

AN ACT CONCERNING LOST AND UNACCOUNTED FOR GAS

SUMMARY: This act requires the Public Utilities Regulatory Authority (PURA) to (1) submit an annual report to the Energy and Technology Committee on the gas companies' lost and unaccounted for (LUAF) gas, (2) investigate a gas company if its LUAF gas exceeds 3% in any calendar year, and (3) establish a cost mechanism to encourage such a company to reduce its LUAF gas. In general, LUAF gas is the difference between the amount of gas that enters a gas company's distribution system and the amount actually delivered to the company's customers or used for other purposes the company knows about.

EFFECTIVE DATE: Upon passage

PURA REPORT

The act requires PURA, by July 1, 2015 and annually thereafter, to submit a report to the Energy and Technology Committee that includes:

1. the reasons for each gas company's LUAF,
2. recommendations for each company's gas leak reduction strategy,
3. a description of each company's gas leak monitoring system,
4. the number of leaks and their causes throughout the state's entire gas distribution system, and
5. any other information PURA deems relevant.

INVESTIGATION AND COST MECHANISM

Under the act, PURA must initiate a proceeding to investigate any gas company whose LUAF gas totals more than 3% (presumably of the total gas that entered the company's distribution system) in any calendar year. In the proceeding, the company must report its (1) leak detection and monitoring procedures, (2) emissions reduction strategies in addition to leak repair, and (3) any additional requirements PURA deems relevant.

In the proceeding, PURA must establish a cost mechanism to comply with the long-term greenhouse gas emission reductions required by state law. The cost mechanism must also encourage a gas company to (1) reduce LUAF gas, including the number of leaks throughout the state's entire gas distribution system; (2) replace aging infrastructure; and (3) comply with any additional requirements PURA deems relevant. This cost mechanism can be incorporated in the company's purchased gas adjustment clause, which adjusts the company's rates between general rate cases to account

for changes in the cost of purchased gas.

By law, the state must reduce the level of greenhouse gas emissions to at least 10% below their 1990 levels by 2020, and 80% below their 2001 levels by 2050, as determined by the Department of Energy and Environmental Protection (CGS § 22a-200a). Methane, the primary component of natural gas, is a greenhouse gas.

PA 14-13—HB 5081

*Environment Committee
Finance, Revenue and Bonding Committee*

AN ACT CONCERNING PHOSPHOROUS REDUCTION REIMBURSEMENTS TO MUNICIPALITIES

SUMMARY: This act expands the number of municipalities eligible to receive increased Clean Water Fund grants for phosphorus removal projects (those that result in levels at or below 0.2 milligrams per liter of effluent discharge, meaning the phosphorus is no more than 0.00002% of the effluent by weight). It does so by extending eligibility for the increased grants, which cover 50% of phosphorus removal costs, to all municipalities with contracts entered into by July 1, 2018.

Prior law limited eligibility to the first three construction contracts awarded by municipalities by that date, but if there were more than three eligible projects, the Department of Energy and Environmental Protection had to prioritize them based on permitted phosphorus discharge limits and the amount of phosphorus removed each year. The act retains this prioritization for issuing the funds.

By law, other phosphorus removal projects are eligible for clean water financing as nutrient removal projects. They receive a (1) project grant of 30% of costs associated with nutrient removal, (2) 20% grant for costs unrelated to nutrient removal, and (3) loan for the rest.

The Clean Water Fund provides financial aid to municipalities through grants and loans for planning, designing, and constructing water pollution control facilities. It is financed through a combination of federal funding, state general obligation bonds for the grant portion, and state revenue bonds for the loan portion.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Act

PA 14-217, § 86, increases, by 5%, the Clean Water funding amount Norwich receives for the design and construction phase costs of certain eligible water quality projects.

PA 14-43—sSB 314

*Environment Committee
Planning and Development Committee*

AN ACT CONCERNING THE HERITAGE PARKS ADVISORY BOARDS

SUMMARY: This act allows the energy and environmental protection (DEEP) commissioner to designate or alter a heritage park without (1) getting approval from affected municipalities' legislative bodies and (2) appointing a board to advise him on the park's boundaries, name, and theme, as prior law required. The act also requires the commissioner to create a plan to develop and promote a heritage park, but eliminates the need for him to appoint an advisory board. Under prior law, the advisory boards consisted of at least 10 members from the municipalities within the proposed park.

The act also removes an obsolete reference to the State Historic Commission.

EFFECTIVE DATE: Upon passage

BACKGROUND

Heritage Park Designation

The law requires the DEEP commissioner, in consultation with the economic and community development commissioner, to develop criteria and guidelines for designating heritage parks consisting of sites in a region linked by a common social, historical, or economic theme. Sites need not be contiguous or owned by the state, but a site's owner must consent to its inclusion in a park before it can be designated. The DEEP commissioner must hold a public hearing on a park's proposed boundaries, name, and theme at least 30 days before making or changing a designation and give newspaper notice of the proposal at least 30 days before the hearing.

PA 14-54—sHB 5044

Environment Committee

AN ACT CONCERNING THE LIABILITY OF OWNERS AND KEEPERS OF DOMESTICATED HORSES, PONIES, DONKEYS AND MULES

SUMMARY: This act bars a court, in a civil action against the owner or keeper of a horse, pony, donkey, or mule for damages from a personal injury the animal allegedly caused, from finding that the animal belongs to a species with a natural propensity to be mischievous or vicious.

The act also creates a presumption in such civil actions that the individual animal did not have a propensity for behavior that would foreseeably cause human injury. This presumption is rebuttable by evidence that the animal's past behavior alerted the owner or keeper to its propensity to engage in the behavior that allegedly caused the injury in question.

The act also codifies the common law principle that the owner of a horse, pony, donkey, or mule cannot be held strictly liable for personal injuries allegedly caused by the animal.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Case

In a civil negligence action brought on behalf of a child who was bitten by a horse, the state Supreme Court ruled that a domestic animal's owner or keeper "has a duty to take reasonable steps to prevent the animal from causing injuries that are foreseeable because [it] belongs to a class of animals...naturally inclined to cause such injuries." The court said that this applies whether or not the animal previously caused an injury.

The court returned the case to the trial court for further proceedings on whether it was foreseeable that the horse would bite the child because horses are a species naturally inclined to bite (*Vendrella v. Astriab Family Ltd. Partnership*, 311 Conn. 301 (2014)).

Foreseeability

In the same case described above, the court stated that an injury is foreseeable when an ordinary person in the same position as the defendant, knowing what the defendant knew or should have known, would anticipate that harm of the general nature suffered would likely occur. When determining if an injury caused by a domestic animal was foreseeable, courts may consider the (1) natural propensity of the class of animal involved, (2) animal's previous behavior and owner's knowledge of it, (3) circumstances giving rise to the harm, and (4) actual harm caused (*Id.* at 331).

Strict Liability

Strict liability holds a defendant in a personal injury suit responsible for the injuries involved without requiring the plaintiff to prove the defendant's conduct was negligent.

PA 14-57—sHB 5309

Environment Committee
Judiciary Committee

AN ACT CONCERNING ABANDONED VESSELS

SUMMARY: This act replaces prior law's procedure and establishes a new administrative process for seizing and disposing of abandoned vessels.

The act replaces prior law, which (1) allowed an officer to seize an abandoned vessel and deliver it to a person for storage; (2) permitted that person to sell it if it was unclaimed after 60 days; and (3) specified that the sale proceeds covered storage costs and were then paid to the owner, or the state if unclaimed. The act instead allows certain public or private parties to begin a process to take ownership of an abandoned vessel. Generally transfer of ownership may occur after 45 days if the vessel is not claimed by the owner, a lienholder, or a person with a security interest.

The act makes abandoning a vessel punishable by a fine of between \$300 and \$500, unless the abandonment occurs during, and because of conditions that caused, a declared emergency.

It also deems waste oil, fuel, antifreeze, and other hazardous materials stored on an abandoned vessel to be household hazardous waste for disposal purposes if the materials are (1) incidental to the vessel's operation and maintenance and (2) removed to prepare for the vessel's storage, removal, or destruction.

EFFECTIVE DATE: January 1, 2015

PRESUMPTION OF ABANDONMENT

Vessel

The act generally expands the circumstances in which a vessel is considered abandoned.

The law prohibits abandoning a vessel on state waters or on someone's property without the property owner's consent. Under prior law, a vessel was presumed abandoned if it was left on (1) state waters, not moored, anchored, or attached to the shore and unattended for more than 24 hours or (2) someone else's property without consent for more than 24 hours.

The act retains these presumptions but gives former tenants who leave behind a vessel on property they rented, leased, or occupied, up to 90 days before it is considered abandoned. The act also presumes a vessel is abandoned if it is:

1. left at a mooring for more than 60 days since the last full payment was received;
2. left at a storage, repair, or other commercial facility for more than one year since the facility received the last full payment;

3. found during a declared emergency either in a (a) public right-of-way hindering access to the right-of-way or public utilities or (b) location or condition creating an imminent danger to public safety or the environment; or
4. left on state waters for more than 24 hours and not properly registered.
6. required paying the sale proceeds, minus the amounts due to the marina owner or keeper and the officer who took the vessel for storage, to the (a) vessel owner if claimed within one year of the sale or (b) state if unclaimed.

Owner

Prior law presumed that the last owner of record when the vessel was abandoned was the person who abandoned it or caused its abandonment. The act generally retains this presumption. It specifies that the owner is the person on record with the government agency that registered the vessel, except (1) if the person provides the Department of Energy and Environmental Protection (DEEP) commissioner with sufficient evidence showing a transfer of vessel ownership before abandonment and (2) the last owner of record for any vessel with a Connecticut-issued certificate of title is the owner named on the certificate. Vessels documented with the U.S. Coast Guard under maritime or admiralty law are considered registered with the Coast Guard.

ABANDONED VESSEL PROCEDURE

Prior Law – Provisions Eliminated

The act eliminates previous procedures regarding abandoned vessels and establishes new ones. It eliminates prior law that:

1. allowed any officer authorized to enforce the state's boating laws to take an abandoned vessel into custody and store it;
2. protected an officer from liability for damage to a vessel when in his or her custody;
3. provided a lien for (a) charges incurred by the officer in taking custody of the vessel and (b) storage charges of the owner or keeper of a marina or other location where the vessel was stored;
4. allowed that owner or keeper to sell the vessel to recoup the storage charges if it was stored for at least 60 days;
5. required notice of the intent to sell to be (a) provided to the vessel owner, if known, and the DEEP, motor vehicles, and transportation commissioners five days before the sale and (b) published three times in a newspaper, starting at least five days before the sale if the owner was unknown; and

Who Can Begin the Process

Under the act, only a party with standing, or the party's designated agent identified on the notification of abandoned vessel (see below), may begin the abandoned vessel process. The act gives the following parties standing:

1. the owner of the property where the abandoned vessel came to rest or to which it was attached;
2. a harbormaster, police department, municipality, or agent of the state that agrees to accept or process an abandoned vessel;
3. an emergency responder, including a responding utility, or person or firm (a) contracted by the government to provide emergency services and (b) responding to a bona fide emergency during or after an emergency declared by the President or governor; and
4. a licensed motor vehicle dealer authorized by law to tow or transport vehicles or a professional marine salvager, when the dealer or salvager is employed by any of the above parties.

The act allows these parties to recover from the person who abandoned the vessel the expenses they incur because of its abandonment. It generally relieves any person from civil liability for damage to an abandoned vessel if the person acts in good faith and without malice when processing, storing, or moving the vessel according to the act's provisions. (But the act makes vessel lienholders and persons with security interests liable for damage or physical injury when removing abandoned vessels from private property, see below.)

Determining Interested Parties of Abandoned Vessels

Vessels Registered in Connecticut. The act requires the DEEP commissioner to notify the secretary of the state by email when he receives a notice of an abandoned vessel (see below) that is or was registered in Connecticut. He must (1) describe the vessel and (2) identify the owner, if known, as recorded with the Department of Motor Vehicles (DMV).

The secretary of the state must then provide the commissioner with copies she has of any filed (1) financing statement for the vessel that names the owner as the debtor and describes the vessel, by identification number or type, as collateral or that states the collateral

is “all assets” or “all property” of the owner or (2) lien against the vessel. The commissioner must provide written notice to all of the secured parties on the financing statements and vessel lienholders of the vessel’s abandonment. The notice must (1) describe the consequences of abandonment and (2) provide instructions on how to retrieve the vessel.

Under the act, if an abandoned vessel is documented according to federal maritime or admiralty law, the commissioner must reasonably try to (1) determine if liens, ship mortgages, or security interests exist against the vessel and (2) notify the lienholders, mortgagees, and people with security interests of the vessel’s status and location.

Vessels Registered in Other States. If an abandoned vessel is registered in another state, the act requires the DEEP commissioner to send email notice to the other state’s registering agency and agencies responsible for recording vessel liens and security interests. The commissioner must provide these agencies 15 business days to (1) return information on the vessel’s owner and anyone who registered or recorded a vessel lien or security interest or (2) intervene in the abandoned vessel process. If these agencies identify vessel lienholders or people with security interests, the commissioner must make reasonable attempts to notify them.

The act relieves the commissioner of any further obligation to identify or contact the last owner of record, vessel lienholders, or people with security interests if the other state’s registering agency fails to provide the contact information or intervene in the process within 15 business days of receiving the notice. But for federally documented vessels, the commissioner may use information from the documentation to identify the last owner of record.

Process for Disposing of Abandoned Vessels

The act establishes a new online procedure to dispose of abandoned vessels. Abandoned vessels with current documentation under federal maritime or admiralty law are subject to the initial notice and labeling procedures, but not the 45-day abandoned vessel period or transfer of ownership provisions. Federal law generally governs these vessels.

Notice of Abandoned Vessel. To begin the process, a party with standing must file a “notice of abandoned vessel” with the DEEP commissioner. The notice must be notarized and filed on forms the commissioner prescribes. The commissioner also prescribes the manner of filing, which may be in person, electronically, or by mail or paid delivery service. The filing fee is \$20. But for filings occurring within 45 days after the end of an emergency declared by the governor that results in widespread vessel displacement, no filing fee or notarization is necessary.

The act requires that a notice of abandoned vessel be prepared and submitted to the commissioner for each abandoned vessel. This includes vessels (1) documented with the Coast Guard under federal maritime or admiralty law or (2) relocated to an abandoned vessel holding area by people or agents acting in a relief or emergency capacity.

Stolen or Missing Vessels. Under the act, when the DEEP commissioner receives the filing, he must determine if the vessel is reported as stolen or missing. If so, he must notify the police department with which the report was filed and the department must (1) take the vessel into custody or (2) arrange for the return of the vessel to its owner at the expense of the person who abandoned it.

Internet Notice. The act requires the DEEP commissioner to post information about the report of the abandoned vessel on a publicly accessible website. The information must be sufficient to identify the vessel and include, if known, at least the (1) vessel’s registration number, make, model, length, and color and (2) town and water body nearest to where the vessel was abandoned. It must also include instructions for contacting the commissioner.

The law generally prohibits public agencies from disclosing the residential addresses of certain public employees (e.g., judges, law enforcement officers, and Department of Correction employees). But during a declared emergency and until a vessel abandoned during the emergency is no longer abandoned, the act allows the commissioner to publish any abandoned vessel owner’s name and town of record as obtained from vessel registration records.

Certified Letter. The DEEP commissioner must send a certified letter to the person who abandoned the vessel, who is presumed to be the owner, if the person can be identified. In the letter, he must (1) identify the vessel, (2) explain the consequences of abandonment, and (3) provide instructions for retrieving the vessel.

The act waives this certified mail requirement if the commissioner establishes contact with the person by email or some other communication method he finds suitable.

Label. The act requires the DEEP commissioner to provide the party with standing with a water resistant adhesive label to be immediately affixed to the vessel. The label must (1) advise that the vessel is being processed according to the act’s abandoned vessel procedure and (2) provide instructions for contacting the commissioner to get more information or intervene. It must be placed in a prominent location visible to an approaching person.

45-Day Abandoned Vessel Period. Under the act, a 45-day abandoned vessel period begins on the date of the first attempt to deliver the certified letter to the person who abandoned the vessel. For unregistered

vessels, the period begins when the DEEP commissioner posts information about the vessel on the abandoned vessel website.

The act allows the commissioner to suspend the period for up to six months for just cause if he states on the website the (1) reason for the suspension and (2) elements needed to resume the 45-day period.

Owners Reclaiming Vessels. The act gives the person who abandoned the vessel until the last day of the abandoned vessel period to take it from the party with standing. But it allows the person who abandoned it to ask for the period to be suspended if there is just cause and he or she contacts the DEEP commissioner. The act makes the person who abandoned the vessel liable for any property damage caused by removing it.

If the person fails to remove it, the DEEP commissioner, in conjunction with the DMV commissioner, must (1) cancel the vessel's registration and (2) issue a notice of assumed ownership to the party with standing (see below).

Liens and Security Interests. Under the act, any party with a vessel lien that is filed with the secretary of the state must seek a writ of attachment from the Superior Court or the lien is discharged. Similarly, anyone with a security interest against an abandoned vessel must take action as allowed by the law on rights after default, or the interest is discharged. These must be (1) done at the party's or person's expense and (2) started before DEEP issues a notice of assumed ownership to the party or person (but the DEEP commissioner issues the notice to the party with standing, see below). Under the act, the DEEP commissioner must file a notice of discharge of any lien or security interest with the secretary of the state. The notice must (1) identify the vessel lien or security interest by file number, (2) describe the vessel by identification number or type, and (3) state that a notice of assumed ownership was issued to the party with standing.

Similarly, the act allows vessel lienholders and people with security interests on abandoned vessels filed with a federal agency to seek a writ from Superior Court, as described above, or under any other applicable state or federal law.

Under the act, vessel lienholders who do not file their liens and those that file them in another state are unable to seek the writ. But the act allows lienholders and people with security interests, whether or not they have the writ, to request a suspension of the abandoned vessel procedures for the removal, transport, or storage of the vessel.

Under the act, vessel lienholders and people with security interests who take custody of abandoned vessels by entering on the properties of parties with standing are liable to those parties for any damage or physical injury caused by the entry or the taking of the vessel.

An abandoned vessel in the custody of a vessel lienholder, person with a security interest, or their agents, is no longer abandoned and must be processed according to existing law regarding vessel liens.

Notice of Assumed Ownership. The act requires the DEEP commissioner to issue a "notice of assumed ownership" to the party with standing on the day after the abandoned vessel period ends if the person who abandoned the vessel or any vessel lienholder or person with a security interest fails to (1) contact him or (2) remove the vessel. The notice must be sent by certified mail with a copy sent by email to DMV.

For abandoned vessels subject to vessel liens or security interests filed with the secretary of the state, the DEEP commissioner must file a notice of discharge with the secretary, as described above. The notice of assumed ownership (1) terminates all liens and security interests against the vessel and (2) satisfies the law's requirements for notices of lien removal.

Once the notice of assumed ownership is issued, the party with standing is considered the vessel's owner and the original notice document is prima facie evidence of ownership. The act also makes the notice prima facie evidence of a transfer of ownership, by law, from a titleholder to the party with standing. The notice is deemed sufficient to establish the ownership interest or right to acquire the interest.

The act requires the DMV commissioner to then cancel the vessel's existing registration and note the ownership transfer to the party with standing in the vessel's registration record, if it exists and is accessible. For vessels registered by some other agency, the DMV commissioner must electronically notify the agency of the ownership transfer.

PA 14-77—sSB 445

Environment Committee

**AN ACT CONCERNING CERTAIN
RECOMMENDATIONS OF THE TASK FORCE
ON THE SALE OF CATS AND DOGS FROM
INHUMANE ORIGINS AT CONNECTICUT PET
SHOPS**

SUMMARY: This act makes various changes in the pet shop licensee statutes. It:

1. requires the Department of Agriculture (DoAg) commissioner to develop a standard of care in-state dog and cat breeders must provide to their dogs and cats (§ 1);
2. prohibits pet shop licensees from purchasing or selling dogs or cats from breeders who have, in the prior two-year period, violated U.S. Department of Agriculture (USDA) animal welfare regulations, and increases the fine for violating related requirements (§ 4);
3. increases, under the “pet lemon law,” the amount a pet shop licensee must reimburse a customer for veterinary expenses incurred to treat a dog or cat that becomes ill shortly after it was purchased (§ 2);
4. requires a pet shop licensee to post certain USDA inspection reports for breeders of any dog offered for sale (§ 3);
5. eliminates the attorney general’s role in collecting civil penalties from pet shop licensees who violate state law, allowing the DoAg commissioner to fine the licensees directly (§§ 2 & 3); and
6. makes other related changes.

The act also requires the DoAg commissioner to report to the Environment Committee, by January 1, 2015, any legislative recommendations for (1) pet shop licensure and (2) enforcement of pet shop laws and regulations (§ 5).

EFFECTIVE DATE: October 1, 2014

§ 1 — STANDARD OF CARE FOR DOGS AND CATS KEPT BY BREEDERS

The act requires the DoAg commissioner, by December 31, 2014, to prescribe the standard of care that breeders must provide to dogs and cats. A breeder includes anyone who (1) keeps 10 or more unneutered or unspayed dogs capable of breeding or (2) owns or operates a breeding cattery. The standards must be consistent with the standard of care animal importers must provide for imported animals, which the commissioner prescribes.

By law, a town may require a dog breeder (i.e., a person who keeps 10 or more unneutered or unspayed dogs capable of breeding) to apply to the town clerk for a license for the facility. Under the act, the DoAg commissioner or an animal control officer (ACO) may inspect the facility to determine if it is complying with the standard-of-care requirements. By law, the commissioner or ACO may already inspect the facilities to determine if (1) they are being maintained in a sanitary and humane manner or (2) a communicable disease or other unsatisfactory condition exists.

By law, if the commissioner determines that a breeding facility is noncompliant, he may (1) order the

conditions to be corrected and (2) quarantine the premises and animals. If the facility’s owner or keeper does not comply with the order, the commissioner may recommend that the town revoke or suspend the facility’s license. The act extends these provisions to the standard-of-care requirements.

By law, anyone operating a breeding facility after a town license has been revoked or suspended is subject to a fine of between \$50 and \$100.

§ 4 — PET SHOP LIMITATION ON BREEDERS

The act limits the breeders from whom a Connecticut pet shop may purchase dogs or cats by prohibiting them from purchasing dogs or cats from breeders who have, in the prior two-year period, violated USDA animal welfare regulations. It also prohibits pet shop licensees from selling or offering for sale any dog or cat purchased from a breeder that does not meet the act’s enhanced requirements.

Under prior law, a pet shop licensee could only purchase dogs or cats from (1) breeders or (2) other entities located outside of Connecticut that possessed a current license from the USDA and any applicable state agency. The act instead requires breeders or other entities, regardless of their location, to possess current USDA and state licenses. In addition, it requires that pet shop licensees that buy dogs or cats buy them from a licensed breeder who, during the two-year period before the purchase, has not committed (1) a direct violation of USDA pet dealer regulations or (2) three or more indirect USDA violations relating to the health or welfare of an animal (see BACKGROUND).

The act increases, from up to \$100 to up to \$1,000, the fine associated with violating the above requirements. By law, each day of a continuing violation is a separate offense. The act also increases, from up to \$500 to up to \$1,000, the fine for violating a requirement that pet shop licensees have, for each dog sold or offered for sale, a certificate of origin identifying the breeder’s name and address. It also eliminates a potential penalty of up to 30 days in prison for violating these requirements.

§ 2 — PET LEMON LAW

Reimbursement of Veterinarian Expenses

The act increases the amount a pet shop licensee must reimburse a customer for amounts spent on veterinary services and medications to treat an animal that becomes ill shortly after it was purchased. Under prior law, the licensee had to reimburse the customer up to \$500. The act instead requires the licensee to reimburse the value of the actual services and medications provided to the animal, but the reimbursement is limited to (1) the purchase price of the

animal if it was purchased for \$500 or more and (2) \$500 if the animal was purchased for less than \$500.

By law, pet shop licensees must reimburse a customer for veterinarian expenses incurred for a dog or cat that (1) within 20 days after sale, becomes ill or dies of an illness that existed at the time of sale or (2) within six months after sale, is diagnosed with a congenital defect that adversely affects its health. At the customer's option, the pet shop licensee must instead replace the animal or refund the animal's purchase price.

If a licensee fails to reimburse a consumer in accordance with the pet lemon law, the act allows the consumer to seek help from the DoAg commissioner.

Penalty

Pet Lemon Law. The act allows the DoAg commissioner to fine a pet shop licensee who violates the pet lemon law or a related requirement up to \$500, rather than subjecting the licensee to a forfeiture of up to \$500 per affected animal. It eliminates the need for the commissioner to ask the attorney general to sue such a pet shop licensee in order to recover a forfeiture. The act specifies that a fine assessed for failing to reimburse a consumer does not preclude, and is not in lieu of, reimbursement.

By law, the sanction applies to any violation of the pet lemon law. It also applies to a violation of the requirement that a pet shop licensee (1) before offering a dog or cat for sale, and every 15 days until the animal is sold, have the animal examined by a Connecticut-licensed veterinarian and (2) maintain a record of the veterinary services provided each dog and cat offered for sale.

Customer Rights Statement. The law requires a pet shop licensee to post a customer rights statement regarding the pet lemon law. The act subjects violators to a \$250 fine. Under prior law, the violator forfeited up to \$500 for each animal.

§ 3 — POSTING INFORMATION

USDA Inspection Reports

The act requires a pet shop licensee to post the USDA inspection reports from the prior two-year period for the breeder of any dog offered for sale. The reports must be (1) posted next to or near the dog's cage and (2) made available to any patron, regardless of whether the patron purchases the dog. Under the act, a violator is subject to a fine of up to \$250.

Required Signage Penalty

The law requires pet shop licensees to post a sign on the cage of each dog offered for sale indicating the

dog's breed, where the dog was born, and any identification number on the official veterinary inspection certificate from the state of origin. Pet shop licensees must also post a sign that (1) includes DoAg's telephone number for receiving complaints about diseased or disabled animals and (2) states:

The following information is always available on all our puppies: date of birth, the state of birth, breed, sex and color, the date the pet shop received the puppy, the names and registration numbers of the parents (for AKC registerable puppies), record of inoculations and worming treatments and any record of any veterinary treatment or medications received to date.

The act decreases, from up to \$500 to up to \$250, the fine the DoAg commissioner may impose on a pet shop licensee who violates these signage requirements. It also eliminates the need for the commissioner to ask the attorney general to sue such a pet shop licensee in order to recover a forfeiture.

BACKGROUND

USDA Violations

USDA-licensed breeders must comply with standards of care outlined in federal regulations under the Animal Welfare Act. These standards set minimum requirements for humane handling, shelter, space requirements, feeding, watering, sanitation, and veterinary care, among other things. To ensure breeders comply with the requirements, USDA inspectors perform compliance inspections. The USDA classifies regulatory violations into two categories: direct and indirect. Direct violations generally involve serious deviations from the applicable standards of care, resulting in unhealthy or ill animals. Indirect violations cover a wider range of indiscretions, including (1) violations that affect an animal's health or welfare and (2) administrative deficiencies that do not affect an animal's health or welfare.

PA 14-80—sHB 5419

Environment Committee

Government Administration and Elections Committee

AN ACT CONCERNING THE PRESERVATION OF THE SAVIN FARM IN LEBANON

SUMMARY: This act specifically authorizes the Department of Agriculture (DoAg) commissioner to place a conservation or preservation restriction on the state's "Savin Farm" property in Lebanon. The restriction may (1) conserve the property for agricultural

use and (2) enable the commissioner to lease, permit, or license any part of the farm to one or more people or entities to engage in agriculture. But it must allow the continuance of activities that historically took place on the farm, according to an October 23, 1995 draft memorandum of understanding between DoAg and the Department of Environmental Protection (now the Department of Energy and Environmental Protection (DEEP)). Such activities include fishing and hunting.

By law, landowners (including the state) may create conservation restrictions in written instruments to maintain land or water areas predominantly in their natural, scenic, or open condition, or in agricultural, farming, forest, or open space use. Preservation restrictions are similar, but are meant to preserve historically significant structures or sites (CGS § 47-42a).

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Act

PA 14-169 allows the DoAg and DEEP commissioners to place conservation or preservation restrictions on any lands their respective departments own.

PA 14-92—SB 66

Environment Committee

AN ACT CONCERNING OUTDOOR WOOD-BURNING FURNACES

SUMMARY: This act (1) makes permanent the restrictions on outdoor wood-burning furnaces that do not meet certain requirements and (2) requires all outdoor wood-burning furnaces, not just those built or in use on or after July 8, 2005, to burn only non-chemically treated wood.

Prior law prohibited people from constructing, installing, establishing, modifying, operating, or using these furnaces until the federal Environmental Protection Agency (EPA) promulgated regulations governing them, unless they were either built or in use before July 8, 2005 or:

1. were installed at least 200 feet from the nearest home not serviced by it;
2. had a chimney higher than the roof peaks of homes within 500 feet of the furnace and not serviced by it, but no higher than 55 feet;
3. burned only non-chemically treated wood; and
4. were installed and operated according to the manufacturer's written instructions, provided the instructions comply with the law.

The act eliminates the EPA provision, thus making the restrictions permanent.

By law, operating an outdoor wood-burning furnace in violation of the law is an infraction punishable by a fine of up to \$90. Each day of a violation is a separate infraction.

EFFECTIVE DATE: Upon passage

BACKGROUND

Outdoor Wood-Burning Furnace

By law, an outdoor wood-burning furnace is an accessory structure or appliance designed to (1) be located outside living space ordinarily used for human habitation and (2) transfer or provide heat, through liquid or other means, by burning wood or solid waste. It is used to heat (1) spaces other than the space where the furnace is located; (2) any other structure or appliance on the premises; or (3) domestic water or water used in a swimming pool, hot tub, or jacuzzi. The definition excludes fire pits, wood-fired barbecues, and chimineas.

PA 14-100—sSB 72

Environment Committee

Judiciary Committee

AN ACT CONCERNING LIABILITY FOR THE GROWING OF RUNNING BAMBOO

SUMMARY: This act prohibits people from planting, or letting anyone plant, "running bamboo" (i.e., bamboo in the genus *Phyllostachys*, including yellow-groove bamboo) on their property within 40 feet of abutting property or a public right of way. Prior law prohibited such planting within 100 feet unless the bamboo was contained by a properly constructed and maintained barrier system or planted above ground in a container.

Under prior law, the 100-foot setback requirement applied only to bamboo planted after October 1, 2013. Under the act, it is unclear if the 40-foot buffer zone requirement applies regardless of when the bamboo is planted.

As under prior law, a violator is subject to a \$100 fine, and each day of a continuing violation is a separate offense. The Department of Energy and Environmental Protection, any duly authorized municipal constable, municipal tree warden, zoning enforcement officer, or inland wetlands and watercourses enforcement officer may enforce the law.

The act also declares running bamboo that grows beyond a person's property boundaries a nuisance. A nuisance is a condition that interferes with the use or enjoyment of property, and is a type of tort (civil

wrong) for which a person can sue for damages (*Black's Law Dictionary*). By law, a person is liable for damage running bamboo causes to neighboring properties, including the cost of removing any bamboo that has spread to the neighboring property (CGS § 22a-381e(b)).

EFFECTIVE DATE: Upon passage

PA 14-153—sHB 5418

Environment Committee

AN ACT CONCERNING FINANCIAL LIABILITY FOR THE CLEAN-UP OF CERTAIN HAZARDOUS WASTE

SUMMARY: This act prohibits the Department of Energy and Environmental Protection (DEEP) commissioner from seeking to recover the costs and expenses DEEP incurs in containing, removing, or mitigating the human bodily effects (such as blood) of a person's serious injury or death on the state's land and water, from the person or his or her estate. The prohibition applies to any injury or death occurring on or after June 6, 2014.

By law, unchanged by the act, anyone who pollutes or contaminates land or water, or causes an emergency resulting from certain chemicals, products, or hazardous waste, that the commissioner considers a health or environmental threat and removes, is liable for the removal costs (CGS § 22a-451).

The act allows the commissioner to agree with anyone, or the estate of anyone, who was seriously injured or died, to pay less than DEEP's full (1) costs and expenses incurred to contain, remove, or mitigate the human bodily effects of the injury or death and (2) legal fees and court costs incurred in trying to recover the costs and expenses.

EFFECTIVE DATE: Upon passage

PA 14-163—sHB 5424

Environment Committee

Planning and Development Committee

AN ACT CONCERNING THE RESPONSIBILITIES OF THE WATER PLANNING COUNCIL

SUMMARY: This act requires the state's Water Planning Council (WPC) to prepare, within available appropriations, a state water plan by July 1, 2017. (Prior law mandated the development of a state long-range water resources management plan, but it was never developed.) The act (1) prescribes the WPC's tasks in developing the plan, (2) establishes the plan's required

content, (3) creates a procedure for public notice and comment, and (4) requires the plan to be submitted to the General Assembly for review and approval (see BACKGROUND).

The act further requires the WPC to (1) oversee the plan's implementation and periodic updates and (2) annually report on its development and implementation and any updates. It allows the Office of Policy and Management (OPM), on the WPC's behalf and within available appropriations, to enter into memoranda of understanding (MOUs) with independent consultants for advice or assistance in developing and compiling the plan, which may include data collection, storage, and organization, as the WPC considers necessary.

The act also:

1. expands the Department of Public Health (DPH) commissioner's authority to declare a public drinking water supply emergency (§ 3);
2. requires (a) draft Water Utility Coordinating Committee (WUCC) coordinated water system plans to address their impact on water quality, flood management, recreation, and aquatic habitat and (b) the Department of Energy and Environmental Protection (DEEP) commissioner to comment on these issues (see BACKGROUND) (§ 6);
3. expands the potential membership of the WPC's advisory group to include representatives of (a) regional councils of government and (b) a public health district (§ 5); and
4. requires DPH to conduct feasibility studies on (a) licensing water professionals and (b) establishing a general permit for certain minor activities (§§ 2 & 7).

The act also makes technical changes.

EFFECTIVE DATE: July 1, 2014, except for the MOU provision, which takes effect upon passage, and the water professional licensing feasibility study provision, which takes effect October 1, 2014.

§ 1 — STATE WATER PLAN

Purpose

The state water plan the act requires the WPC to prepare replaces the prior statewide long-range water resources management plan that DEEP, DPH, and OPM had to prepare and periodically update as part of a continuing planning process.

The act shifts, from these agencies to the WPC, the responsibility to design a uniform planning program and budget. And under the act, the WPC must consider, instead of coordinate, regional water and sewer facilities plans. The act eliminates the requirement that the agencies provide technical or financial assistance to

regional planning agencies (RPAs) in preparing such plans.

The act also requires the WPC, when developing the plan, to:

1. identify appropriate regions of the state for comprehensive water planning;
2. identify data needs and develop a consistent format for submitting data to it, applicable state agencies, and regional councils of government (COGs) for planning and permitting use;
3. consider the (a) potential impact of climate change on the availability and abundance of water resources and (b) importance of climate resiliency;
4. involve interested parties and solicit input from its advisory group;
5. consider individual water supply plans, water quality standards, stream flow classifications, WUCC plans, the State Plan of Conservation and Development, and other planning documents it considers necessary;
6. promote the adoption of municipal ordinances based on the State of Connecticut Model Water Use Restriction Ordinance for municipal water emergencies (see BACKGROUND); and
7. examine appropriate ways to resolve conflicts in implementing the state water plan.

Plan Content

The act specifies the state water plan's required elements, including some based on those prior law required for the long-range plan.

Similar to the requirements for the long-range plan under prior law, the act's plan must:

1. identify water amounts and qualities (specifically, surface and groundwater resources available for public water supply, health, economic, recreation, and environmental benefits for regional basins, rather than those, under prior law, that could be feasibly distributed to specific areas);
2. identify current and future water demand for statewide and regional basins instead of for specific areas, as prior law required;
3. recommend using the state's water resources to, instead of maximizing benefits, balance public water supply, economic development, recreation, and ecological health;
4. recommend major engineering works or special districts, as well as technology and infrastructure upgrades and interconnections;
5. recommend land use and other measures, that include assessing land acquisition or land protection needs, to ensure the desired water quality and quantity, as well as promoting

development based on available water resources;

6. consider desired recreational, agricultural, industrial, and commercial uses, as well as ecological uses; and
7. try to incorporate regional and local water use and management plans and programs and water and sewerage facilities plans.

The act additionally requires the state water plan to:

1. inform residents about the importance of water-resource stewardship and conservation;
2. establish guidelines and incentives for consumer water conservation while considering energy efficiency;
3. develop a water reuse policy to encourage matching water quality to use;
4. meet data collection and analysis needs to provide for data-driven water planning and permitting decisions;
5. consider the plan's ecological, economic, environmental, and public health and safety impacts on Connecticut;
6. include short- and long-range objectives and strategies to communicate and implement the plan;
7. promote solutions and sharing water resources within regions;
8. develop and recommend strategies to address climate resiliency including the impact of extreme weather events;
9. recommend steps to increase the climate resiliency of existing water resources and infrastructure; and
10. identify changes to laws and regulations needed to implement the plan's recommendations.

Public Review and Comment

Before finalizing the plan, the WPC must allow the public at least 120 days to review and comment on it. The DEEP and DPH commissioners, Public Utilities Regulatory Authority (PURA) chairperson, and OPM secretary must post the draft plan and information about the public comment period in conspicuous locations on their websites. The Council on Environmental Quality must post this information in the *Environmental Monitor* (the council's official website).

The WPC must (1) advertise and hold at least one public hearing during the public comment period and (2) consider all written and oral comments about the plan once the public comment period ends.

The WPC must then make available:

1. a report summarizing the (a) public comments and (b) changes to the plan based on the comments and the reasons for the changes and

2. the electronic text of the finalized plan on a website.

Legislative Review and Approval

The act requires the WPC to, within available appropriations, prepare the state water plan by July 1, 2017. It must then submit the plan, by January 1, 2018, to the Energy and Technology, Environment, Planning and Development, and Public Health committees for their approval, revision, or disapproval. The WPC must also electronically submit the plan to the governor.

The committees must, within 45 days after the 2018 regular legislative session convenes, (1) hold a joint public hearing on the plan and (2) submit it to the General Assembly with their joint recommendations for approval, modification, or disapproval. The recommendations may apply to the entire plan or parts of it.

Under the act, the state water plan (1) becomes effective when the General Assembly adopts it or (2) is deemed approved if the General Assembly fails to act on it by July 1, 2018.

But if the General Assembly disapproves the plan, in whole or in part, the plan is deemed rejected and returned to the WPC for revisions and resubmission to the same legislative committees for their approval or modification. The resubmission must occur within 90 days after the plan's disapproval. And under the act, if these committees fail to act on the resubmitted plan within 60 days after receiving it, the resubmitted plan is deemed approved.

Annual Reports

By January 1, 2016, and annually afterwards, the WPC must report on the plan's development and implementation, and any updates to it, to the Energy and Technology, Environment, Planning and Development, and Public Health committees. This annual report replaces the annual report on water issues the WPC had to submit under prior law.

§ 3 — PUBLIC DRINKING WATER SUPPLY EMERGENCY

By law, the DPH commissioner, in consultation with the DEEP commissioner and PURA, may declare a public drinking water supply emergency. The act allows the DPH commissioner to declare one if, based on information she receives, it is reasonably expected to occur unless conservation practices are immediately implemented. The law already allows her to do this if the emergency exists or is imminent. By law, a public drinking water supply emergency includes water contamination, a water shortage, or a water supply

system failure (CGS § 25-32b).

By law, during a public drinking water supply emergency, the DPH commissioner may allow or order the (1) sale, supply, or taking of any waters or (2) temporary interconnection of water mains to sell or transfer water among water companies. The act expands her authority to include allowing or ordering a public water system or the municipality where the emergency occurs to implement water conservation practices. It also explicitly permits her to take more than one of these actions or those authorized under existing law.

§ 6 — WUCC PLAN COMMENTS

By law, each WUCC must prepare a coordinated water system plan in the public water supply management area. These plans must promote cooperation among public water systems and include provisions for, among other things, the impact on other water resources uses. The act specifies that the impact includes water quality, flood management, recreation, and aquatic habitat issues.

Under existing law, each WUCC must first prepare a draft plan and seek comment on it from certain parties. Prior law required an RPA within a management area to comment on the plan's consistency with regional land use plans and policies. The act instead requires COGs to provide the comment. (PA 13-247 requires RPAs to reestablish themselves as COGs by January 1, 2015.) By law, the DEEP commissioner must comment on the availability of water for proposed diversions. Under the act, he must also comment on water quality, flood management, recreation, and aquatic habitat issues.

§ 5 — WPC ADVISORY GROUP MEMBERSHIP

By law, the WPC is authorized to establish an advisory group, balanced between consumptive and nonconsumptive water interests. The act adds (1) COGs and (2) a public health district to those interests that may be represented on the advisory group. Existing law allows the group to have representatives of:

1. regional, municipal, and investor-owned water utilities;
2. a wastewater system;
3. academia, with expertise in stream flow, public health, and ecology; and
4. agricultural, electric power generation, business and industry, environmental land and river protection, boating, fisheries, recreational, and endangered species protection interests.

§§ 2 & 7 — FEASIBILITY STUDIES

Water Professional Licensing or Certification

The act requires DPH, in consultation with the

WPC, to study the feasibility of creating a program to license or certify water professionals. The study must be conducted within available appropriations.

Licensing or certification must apply to people whose knowledge can help DPH carry out the main requirements of the (1) federal Safe Drinking Water Act and (2) state laws on overseeing safe and adequate public drinking water. The study must include:

1. the desired qualifications for the professionals,
2. a review of other states' public drinking water programs,
3. a review of the appropriate responsibilities for the professionals, and
4. cost and funding sources available to establish the program.

DPH must report on the study by July 1, 2016 to the Energy and Technology, Environment, Planning and Development, and Public Health committees.

General Permits

The act also requires DPH, in consultation with the WPC, to study the feasibility of establishing a general permit for minor activities that will have:

1. minimal environmental and public health effects when conducted separately,
2. minimal cumulative environmental and public health effects, and
3. no adverse effect on existing or potential uses of water or water bodies.

The study must list activities that may be conducted under this general permit and the circumstances in which they may be conducted. DPH must report on the study to the Environment and Public Health committees by July 1, 2015.

BACKGROUND

Water Planning Council

The council consists of the PURA chairperson, OPM secretary, and DEEP and DPH commissioners, or their designees. It is charged with addressing issues involving water companies, water resources, and drinking water supply policies. Its advisory group helps research and analyze water industry issues (CGS § 25-33o).

WUCCs

The state is divided into seven management areas based on factors such as similarity of water supply problems, proliferation of small water systems, groundwater contamination, and over-allocated water resources. DPH convenes a WUCC for each management area to address these issues. A WUCC consists of one representative from each public water

system with a source of supply or service area within the public water supply management area and one representative from each RPA within the management area (CGS §§ 25-33d to 25-33j).

State of Connecticut Model Water Use Restriction Ordinance

This is a state model ordinance to help in developing municipal ordinances to restrict the use of water supplied by a water company. It is for communities seeking to set enforceable limits on using water during emergencies and temporary periods of high demand.

PA 14-169—sSB 70

Environment Committee

Government Administration and Elections Committee

AN ACT CONCERNING THE GRANT OF PROPERTY INTERESTS IN PROPERTY HELD BY THE DEPARTMENTS OF AGRICULTURE AND ENERGY AND ENVIRONMENTAL PROTECTION AND THE ESTABLISHMENT OF A PUBLIC USE AND BENEFIT LAND REGISTRY

SUMMARY: This act authorizes the Department of Energy and Environmental Protection (DEEP) commissioner to designate department-owned lands as "lands of public use and benefit," which include land used for conservation, public enjoyment, or recreational purposes, or activities to improve or maintain these purposes.

The act requires the commissioner to establish, by January 1, 2015, a publicly accessible geographic information map system and database that has a public use and benefit land registry. The registry must be able to provide certain identifying information on (1) land owned by DEEP, other state agencies, municipalities, and land conservation organizations, and (2) state-owned water supply lands. By the same January 1 deadline, the commissioner must make the registry available on DEEP's website and include the identifying information for three state parks he selects. He must update the registry quarterly with information for 10 more state parks.

Lastly, the act specifically allows the DEEP and Department of Agriculture (DoAg) commissioners to place conservation or preservation restrictions on any lands their departments own. By law, landowners (including the state) may create conservation restrictions in written instruments to maintain land or water areas predominantly in their natural, scenic, or open condition, or in agricultural, farming, forest, or open space use. Preservation restrictions are similar, but are

meant to preserve historically significant structures or sites (CGS § 47-42a).

EFFECTIVE DATE: Upon passage

PUBLIC USE AND BENEFIT LAND REGISTRY

Required information

The act requires the registry to be able to provide at least the following information on the land:

1. its location and owner;
2. any applicable land categorizations based on the land's use and level of protection;
3. information data sheets with any applicable deed, easement, survey, map, and data for each parcel comprising the land; and
4. any available management and stewardship plans.

In establishing the registry, the DEEP commissioner must consult with all state agencies to identify state-owned lands of public use and benefit.

Under prior law, the commissioner, by October 1, 2014, had to (1) identify other state agencies' lands that are valuable for conservation purposes and (2) consult with the public health commissioner about any state-owned lands identified as water supply lands. The act eliminates this deadline and instead requires him to perform these tasks as part of establishing the public use and benefit land registry.

BACKGROUND

Related Act

PA 14-80 allows the DoAg commissioner to place a conservation or preservation restriction on the "Savin Farm" property in Lebanon.

PA 14-170—sSB 71

Environment Committee

AN ACT CONCERNING CERTAIN REVISIONS TO THE MATTRESS STEWARDSHIP PROGRAM

SUMMARY: This act makes several changes to the state's mattress stewardship law, which requires mattress manufacturers to establish a program to manage unwanted mattresses generated in Connecticut.

The act:

1. specifies that products exempt from the law include such things as unattached mattress pads and pads for "juvenile products";

2. extends by at least 90 days the date by which the "mattress stewardship fee," a fee assessed at the point of sale to fund the program, takes effect; and
3. makes retailers solely responsible for charging the fee.

It also makes minor and technical changes.

EFFECTIVE DATE: Upon passage

EXEMPT PRODUCTS

Under the program, a mattress includes any resilient material or combination of materials enclosed by a ticking, used alone or with other products, and intended or promoted for sleeping upon. Various products are exempt.

The act specifies that, to be exempt, mattress pads and toppers must be unattached and include any item with resilient filling, with or without ticking, used with or on top of a mattress. It also specifies that upholstered furniture, which the law exempts, includes fold-out sofas and futons. The act (1) classifies the infant-related products (e.g., carriages, dressing tables, playpens) already exempt from the law as "juvenile products" and (2) exempts the pads for these products.

PROGRAM FUNDING

Under the program, by July 1, 2014 and biennially afterward, the mattress recycling council (a nonprofit created by producers or a trade organization representing them) must propose the mattress stewardship fee. An auditor must determine within 60 days of the fee proposal whether it is (1) no greater than necessary to fund the program's cost and (2) sufficient to maintain financial reserves to operate the program over a multi-year period.

Under prior law, if the auditor determined the fee was reasonable, the fee would take effect. The act extends the fee's effective date to at least 90 days after the auditor notifies the commissioner of energy and environmental protection that it is reasonable.

By law, once the fee is established, it must be added to the purchase price of mattresses sold in the state. The act makes retailers solely responsible for charging and collecting the fee. Under prior law, mattress producers were required to add the fee to the cost of mattresses sold to retailers and distributors and the retailers and distributors had to add the fee to the mattresses they sold. The law allows for an alternative way to collect the fee, if the commissioner approves it.

PA 14-190—sHB 5417 (VETOED)*Environment Committee***AN ACT ESTABLISHING A SEASON FOR THE TAKING OF GLASS EELS**

SUMMARY: This act eliminates the specific statutory ban on, and \$250 maximum fine for, taking or trying to take glass or elver eels from state waters (see BACKGROUND).

Existing regulations, unaffected by the act, prohibit possessing American eels fewer than nine inches in length, regardless of life-cycle stage (Conn. Agencies Reg., §§ 26-142a-8a, as amended by Declaration of Regulation Change 14-03 & 26-159a-4, as amended by Declaration of Regulation Change 14-02). This effectively bans taking elver and glass eels because these eels are smaller than the minimum size for taking.

By eliminating the specific penalty, the act applies other existing penalties to taking glass or elver eels. If taken for recreation, the violation is an infraction. Taking for commercial purposes is punishable by a maximum fine of \$250 for a first offense and is a class D misdemeanor for a subsequent offense (see Table on Penalties) (CGS §§ 26-159a & 26-186).

The act also authorizes the energy and environmental protection commissioner, if the Atlantic States Marine Fisheries Commission (ASMFC) allows a harvest of glass and elver eels, to establish harvest restrictions and a limited access permit system for their taking by July 1, 2015. It allows the permit system to determine permit eligibility through a random draw and requires the system to remain in effect until the commissioner adopts regulations.

EFFECTIVE DATE: January 1, 2015

BACKGROUND*Glass and Elver Eels*

Glass eels and elver eels are not distinct species, but rather life-cycle stages of the American eel species. Glass eels are a juvenile stage where the eel is translucent. They gain pigmentation as they move from the Atlantic continental shelf into rivers and become elver eels, which are also a juvenile stage. Elver eels eventually become immature adult stage yellow eels, which take years to mature into full grown adult silver eels.

ASMFC

Connecticut is a member of ASMFC, a coastal fishing compact of 15 states. Under the compact, member states must comply with ASMFC's interstate fishery management plans. The U.S. Commerce Department imposes fishing moratoriums on states that

fail to comply with the plans.

ASMFC currently bans glass eel fishing in all member states except Maine and South Carolina and requires states to adopt a nine-inch minimum size limit for taking American eels.

PA 14-200—SB 237*Environment Committee**Judiciary Committee***AN ACT PROHIBITING THE STORAGE OR DISPOSAL OF FRACKING WASTE IN CONNECTICUT**

SUMMARY: This act establishes a moratorium on certain activities associated with hydraulic fracturing ("fracking") waste in Connecticut until the Department of Energy and Environmental Protection (DEEP) commissioner adopts regulations to (1) control it as a hazardous waste and (2) impose certain licensing and disclosure requirements. Information disclosed under this act is subject to the state Freedom of Information Act. DEEP may, under certain conditions, choose not to adopt the regulations, in which case the ban would remain in force. The moratorium applies to any person accepting, receiving, collecting, storing, treating, disposing of, or transferring between vehicles or modes of transportation any fracking waste. It also includes the sale, manufacture, and distribution of de-icing and dust suppression products derived from or containing the waste.

The act also:

1. requires DEEP to submit regulations to the Regulations Review Committee between July 1, 2017 and July 1, 2018, imposing a de facto three-year moratorium;
2. requires DEEP to collect fracking waste and waste product information;
3. requires any person transporting fracking waste in the state, after the regulations are adopted, to obtain a DEEP permit; and
4. creates an exception to the moratorium to conduct research on small amounts of fracking waste.

EFFECTIVE DATE: July 1, 2014

COVERED WASTES

The wastes covered by this act include any wastewater, wastewater solids, brine, sludge, drill cuttings, or any other substance generated as a part of or in the process of fracking. The moratorium includes products derived from or containing any of these wastes.

DEFINITIONS

The act includes the following definitions related to the moratorium:

1. “Hydraulic fracturing” means the process of pumping a fluid underground to create fractures in rock for exploration, development, production, or recovery of oil or gas. Hydraulic fracturing does not include drilling of geothermal water wells or any other well drilled for drinking water.
2. “Person” means any individual, firm, partnership, association, company, trust, corporation, limited liability company, municipality, agency, or political subdivision of the state.
3. “Dispose” means discharging, depositing, injecting, dumping, spilling, leaking, or placing any waste into or on land or water that allows it to enter the environment.
4. “Gas” means all natural gas, whether hydrocarbon or nonhydrocarbon, including hydrogen sulfide, helium, carbon dioxide, nitrogen, hydrogen, casing head gas, and all other fluid hydrocarbons not defined as oil under the act.
5. “Radioactive materials” means any material, solid, liquid, or gas, including waste that emits spontaneously ionizing radiation.

ESTABLISHING REGULATIONS

The act requires DEEP to submit regulations to the Regulations Review Committee for approval after June 30, 2017 and no later than July 1, 2018. Until the regulations are approved, activities involving any wastewater, wastewater solids, brine, sludge, drill cuttings, or any other substance generated as a part of or in the process of fracking as well as products derived from or containing any of these wastes are prohibited in Connecticut. The regulations must (1) subject these wastes from energy production to the state’s hazardous waste management regulations; (2) ensure any radioactive components of fracking waste do not pollute the air, land, or waters or otherwise threaten human health or the environment; and (3) require disclosure of the composition of the waste. But the DEEP commissioner has discretion to not adopt regulations under certain conditions (see below).

The act prohibits the sale, manufacture, and distribution of de-icing and dust suppression products derived from or containing fracking waste until DEEP adopts regulations controlling these products.

INFORMATION ON FRACKING AND FRACKING WASTE PRODUCTS

The act requires the DEEP commissioner to request, at a minimum, the following information about fracking waste products from any person (presumably people or firms involved in the industry):

1. extent to which an anti-icing, de-icing, pre-wetting, or dust suppression product is or could be derived from or contain fracking waste;
2. origin of the materials used for the product; and
3. product’s chemical composition.

Any information DEEP gathers in this process is subject to disclosure under the Freedom of Information Act.

DISCRETION TO ADOPT REGULATIONS

The act authorizes the DEEP commissioner to ban a particular product or not adopt regulations if a person fails to provide information requested under the act. The option to not adopt regulations applies to both the fracking waste and the de-icing and dust suppression product regulations.

PERMITS

The act requires any person collecting or transporting fracking waste for receipt, acceptance, or transfer between vehicles in Connecticut to obtain a DEEP permit before bringing the material into the state. This requirement applies even if the person collecting or transporting the material is not in the waste management business. The permit must require that records be kept of the waste’s origin and all intermediate and final delivery points.

MORATORIUM EXCEPTION FOR RESEARCH

The act exempts certain research from the moratorium. Before adopting regulations, DEEP may grant up to three requests to allow a person to treat no more than a total of 330 gallons. DEEP may permit a single treatment in excess of this if the approval is issued to a single person and does not exceed 500 gallons.

Such treatment must be for determining whether fracking waste can be made suitable for use or reuse. Applicants must be professionally qualified to treat fracking waste. DEEP’s approval must include conditions designed to protect human health and the environment. All waste treated under this exception must be handled as hazardous waste in accordance with applicable state law, which provides standards and requirements for treatment, storage, and disposal.

BACKGROUND

Federal Regulation

Federal regulations currently exempt fracking waste from hazardous waste requirements under the Resource Conservation and Recovery Act (RCRA).

RCRA hazardous waste regulations exempt drilling fluids, produced waters, and other wastes. The exception is linked to the source of these exempt materials, which must result from the exploration, development, or production of crude oil, natural gas, or geothermal energy (40 CFR § 261.4(b)(5)).

PA 14-201—sSB 241

Environment Committee

AN ACT CONCERNING YOUTH HUNTING AND FISHING LICENSES, REVISING CERTAIN HUNTING AND FISHING LICENSE FEES AND REQUIRING REGISTRATION BY HUNTING AND FISHING GUIDE SERVICES

SUMMARY: This act makes various changes in the state’s hunting and fishing statutes. Among other things, it:

1. requires 16-year-olds to obtain fishing licenses to fish in Connecticut waters, to conform to current licensing practices;
2. exempts from the fishing license requirement secondary school students participating in school fishing events or field trips that teach fishing techniques;
3. changes certain hunting and fishing license fees, including reducing specific fees by 50% for 16- and 17-year-old residents;
4. allows the Department of Energy and Environmental Protection (DEEP) to designate up to two days each calendar year when it can issue free one-day sport fishing licenses;
5. allows DEEP, with the Office of Policy and Management’s (OPM) approval, to occasionally offer reduced fees for hunting and fishing licenses and permits;
6. requires instructors to offer hunting, trapping, and archery safety courses online or in a classroom and allows them to charge a course fee the DEEP commissioner establishes;
7. requires hunting and fishing guides to annually register with DEEP and pay a \$100 fee; and
8. allows the DEEP commissioner to adopt regulations to implement the hunting and fishing guide requirements.

EFFECTIVE DATE: January 1, 2015, except for the provisions related to safety courses, which are effective October 1, 2014.

§ 1 — FISHING LICENSES

Age Requirement

The act lowers the age for obtaining a fishing license from over age 16 to age 16, thus conforming the statute to DEEP’s current practice of licensing 16-year-olds.

Exemption for Certain Students

The act exempts from the fishing license requirement, with the DEEP commissioner’s written authorization, Connecticut secondary school students (i.e., grades nine through 12) participating in school fishing events or field trips that teach fishing techniques. The fishing event or field trip must be part of a school course, and the school must apply for the commissioner’s authorization on a form he prescribes.

§ 2 — HUNTING AND FISHING LICENSE FEES

Changed License Fees

The act (1) increases one resident combination hunting and fishing license fee, (2) reduces two resident super sport combination license fees, and (3) reduces the group fishing license fee, as Table 1 shows.

Table 1: Hunting and Fishing License Fees

| <i>License</i> | <i>Prior Law</i> | <i>The Act</i> |
|--|------------------|----------------|
| Combination (all-waters fishing and firearms hunting) | \$38 | \$40 |
| Firearms super sport (all-waters fishing, firearms hunting, deer on private land with shotgun or rifle, and wild turkey in spring on private land) | 80 | 70 |
| Firearms super sport (all-waters fishing, firearms hunting, migratory bird conservation stamp, and migratory bird harvest permit) | 60 | 50 |
| Group fishing license | 250 | 125 |

Fees Charged 16- and 17-Year-Olds

The act reduces by 50%, rounded to the next highest dollar, the fees charged to 16- and 17-year-old residents for any firearms or archery hunting, trapping, or sport fishing (1) license or (2) permit, tag, or stamp for taking waterfowl, salmon, pheasant, turkey, migratory game birds, deer, or small game.

Free One-Day Sport Fishing License

The act allows the DEEP commissioner to designate up to two days each year when he may issue free one-day sport fishing licenses. He can make free licenses available to all members of (1) the public or (2) an age group he designates. The law already requires him to designate one day each year when no license is required for sport fishing.

DEEP's Authority to Offer Reduced Fees

The act allows the DEEP commissioner, with the OPM secretary's concurrence, to occasionally offer reduced fees for certain hunting and fishing licenses, permits, tags, and stamps in order to increase participation in such activities. These include firearms or archery hunting, trapping, or sport fishing licenses and permits, tags, or stamps for taking waterfowl, salmon, pheasant, turkey, migratory game birds, deer, or small game.

Reduced fees must be allowed only for a portion of a year and be effective during the calendar year in which the reduction is offered. Also, the commissioner may offer reduced fees only if the reduction is offered to (1) all members of the public; (2) all members of a certain age group; or (3) people who successfully complete a fishing education or hunting, trapping, or archery safety course within that calendar year.

§ 3 — HUNTING, TRAPPING, AND ARCHERY SAFETY COURSES

The act requires hunting, trapping, and archery safety courses to be provided online or in a classroom. Prior law allowed the courses to be provided by any means. The act also allows anyone authorized to conduct hunting, trapping, or archery courses to charge a reasonable course fee the DEEP commissioner establishes. Prior law only allowed trapping instructors to charge a fee the DEEP commissioner established by regulation.

§§ 4 & 5 — HUNTING OR FISHING GUIDES

Registration

The act prohibits people from providing hunting or fishing guide services in Connecticut unless they annually (1) register with DEEP on a form the commissioner prescribes and (2) pay a \$100 registration fee. The form must include the registrant's name, residential and business addresses, business telephone number, and services offered. Registrations are nontransferable and expire on December 31 following their issuance.

The act also prohibits a person from operating a vessel to provide hunting or fishing guide services on state waters unless he or she (1) is registered with DEEP as a hunting or fishing guide and (2) holds a current U.S. Coast Guard passenger-for-hire license.

Under the act, a user, operator, or crew member of a registered charter, party, or head boat is exempt from these requirements.

The act defines "hunting or fishing guide services" as aiding, assisting, or instructing anyone, in exchange for payment, in the taking of fish or wildlife while in Connecticut fields or forests or on Connecticut waters.

Limitation

The act limits to two the number of customers that a fishing guide can have on a vessel when taking or landing marine species.

Penalties

A violator of the hunting or fishing guide requirements commits an infraction punishable by a fine of up to \$90 and can pay the fine by mail without making a court appearance.

Regulations

The act authorizes the DEEP commissioner to adopt regulations to implement the hunting and fishing guide requirements.

PA 14-205—sSB 309

Environment Committee

Planning and Development Committee

AN ACT CONCERNING MUNICIPAL COSTS FOR THE CARE OF CONFISCATED ANIMALS AND ESTABLISHING A TASK FORCE ON THE HUMANE TREATMENT OF ANIMALS IN MUNICIPAL SHELTERS

SUMMARY: By law, a court may vest temporary ownership of neglected or cruelly treated animals in a person or state, municipal, or other agency. When it does this, the animal's owner generally must either (1) give up ownership of the animal or (2) post a surety or cash bond with the agency or person in whom the court vested the animal's temporary care and custody. This act increases the bond amount from \$500 total to \$500 per animal.

The act expands the Department of Agriculture (DoAg) commissioner's use of the animal abuse cost recovery and animal population control accounts (see BACKGROUND). It allows him to use these accounts to reimburse a municipality for the cost of providing

temporary care to animals that lasts more than 30 days and exceeds the posted bond amount. It limits total annual reimbursements to municipalities from the (1) animal abuse cost recovery account to \$25,000 and (2) animal population control account to \$50,000.

The act also establishes a nine-member task force to study (1) the humane treatment of animals in municipal and regional shelters and (2) other matters concerning such shelters. The task force must report its findings and recommendations to the Environment and Planning and Development committees by January 1, 2015.

EFFECTIVE DATE: Upon passage

TASK FORCE

Task Force Responsibilities

The act requires the task force to consider:

1. recommendations to establish standards for the humane treatment of animals in municipal and regional shelters;
2. existing education and training standards for animal control officers (ACOs) on current license laws;
3. rules, regulations, and penalties for abuse;
4. developing a system to prevent people convicted of animal abuse from acquiring animals from shelters in other municipalities or states;
5. establishing standards for shelters when evaluating potential animal adopters;
6. establishing rules and responsibilities for volunteer groups that work with shelters and ACOs; and
7. creating a framework to coordinate the efforts of local humane organizations with volunteer groups, foster groups, and municipal and regional shelters.

Membership

Under the act, the task force consists of (1) the DoAg commissioner or his designee and (2) eight members the six legislative leaders appoint, as Table 1 shows. Legislators may serve as members. Appointments must be made within 30 days after the act's passage, and the appointing authority fills any vacancy.

Table 1: Task Force Appointees

| <i>Appointing Authority</i> | <i>Number</i> | <i>Qualifications</i> |
|------------------------------|---------------|--|
| Senate president pro tempore | 2 | One ACO One Judicial Branch representative |
| House speaker | 2 | One member of a local animal welfare advocacy organization One sworn municipal police officer |
| Senate majority leader | 1 | A licensed veterinarian |
| Senate minority leader | 1 | A chief elected official from a town with 25,000 or fewer people |
| House majority leader | 1 | A chief elected official from a town with more than 25,000 people |
| House minority leader | 1 | A volunteer who works with municipal shelters and ACOs |

Chairpersons and Meetings

The act requires the Senate president pro tempore and House speaker to select the task force's chairpersons from among its members. The chairpersons must schedule and hold the first task force meeting within 60 days after the act's passage.

Staff

The Planning and Development Committee's administrative staff serves as the task force's staff.

Report and Termination

The act requires the task force to report its findings and recommendations to the Environment and Planning and Development committees by January 1, 2015. The task force terminates when it submits its report or on that date, whichever is later.

BACKGROUND

Animal Abuse Recovery Account

By law, the commissioner uses the animal abuse recovery account to pay to house and care for animals DoAg seizes. The account contains (1) money DoAg collects from sales of seized animals at public auctions and (2) public or private donations.

Animal Population Control Account

By law, the commissioner uses the animal population control account to (1) implement, promote, and administer the animal population control program and (2) reimburse people completing ACO training. The account includes money collected from municipal pound adoption fees and license surcharges on unspayed or unneutered dogs.

PA 14-223—HB 5310

Environment Committee

Judiciary Committee

AN ACT CONCERNING CONNECTICUT'S SEED LAW

SUMMARY: This act replaces Connecticut's seed law with provisions based on the Association of American Seed Control Officials' Recommended Uniform State Seed Law. Similar to prior law, the act:

1. establishes labeling requirements for seed sold, offered for sale, or transported in Connecticut;
2. imposes certain sales restrictions and record retention requirements;
3. authorizes the agriculture commissioner to enforce the requirements; and
4. establishes penalties for violations.

Unlike prior law, the act:

1. applies to flower, tree, and shrub seeds, instead of just agricultural and vegetable seeds;
2. distinguishes between cool-season and warm-season grass seed;
3. updates and expands labeling requirements to account for current technology and terminology;
4. specifies that its provisions supersede and preempt any municipal law or ordinance regarding the registration, sale, labeling, storage, transportation, distribution, notification, or use of seeds;
5. allows the commissioner's designee to enforce the act's requirements;
6. increases the penalty for violating the seed law from a fine to a class D misdemeanor with a specified fine; and
7. eliminates a requirement that seed sellers or transporters register annually with the agriculture commissioner.

EFFECTIVE DATE: October 1, 2014

§ 2 — LABELING REQUIREMENTS

As under prior law, the act requires that each container of agricultural or vegetable seed sold, offered or exposed for sale, or transported in Connecticut for sowing purposes have a conspicuous label written or printed in English with specified information. The act extends this requirement to most flower seed and tree and shrub seed containers.

The labels must generally contain information about whether the seed was treated with any substance that is harmful to people or animals; the name, kind, and variety of seed; the lot number; the seed's origin; any weed seeds present; the seed's germination testing; the name of the person who labeled the seed or who is selling the seed; and other specified information.

Prior law identified specific labeling requirements for five seed categories:

1. agricultural and vegetable seeds treated with a substance designed to (a) control or repel disease, insects, or other pests or (b) improve plant development;
2. agricultural seeds, except for grass seed mixtures;
3. grass seed mixtures in containers of 50 pounds or less;
4. vegetable seeds in containers of one pound or less; and
5. vegetable seeds in containers of more than one pound.

The act instead identifies specific labeling requirements for 14 seed categories:

1. agricultural, vegetable, and flower seeds treated with a substance or subjected to a process for which a claim is made;
2. agricultural seeds, except (a) cool-season grass seed, (b) seed sold on a pure live basis, or (c) hybrids with less than 95% hybrid seed;
3. cool-season grass seed, including Kentucky bluegrass, various fescues and ryegrasses, and colonial or creeping bentgrass;
4. coated agricultural seeds;
5. vegetable seeds in packets prepared for use in home gardens or household plantings or in pre-planted containers, mats, tapes, or other planting devices;
6. vegetable seeds in other containers prepared for use in home gardens or household plantings;
7. flower seeds in packets prepared for use in home gardens or household plantings or in pre-planted containers, mats, tapes, or other planting devices;
8. flower seeds in other containers, and not prepared for use in home gardens or household plantings;

9. agricultural seeds sold on a pure live basis;
10. agricultural and vegetable hybrid seed containing less than 95% hybrid seed;
11. combination mulch, seed, and fertilizer products;
12. combination products containing seed and granular fertilizer;
13. tree or shrub seeds treated with a substance or subjected to a process for which a claim is made; and
14. untreated tree or shrub seeds.

§ 3 — SALE RESTRICTIONS

Sales and Transport Prohibitions

Under prior law, no person (i.e., any individual, partnership, corporation, company, association, receiver, trustee, or agent) could sell, offer or expose for sale, or transport for sale any agricultural or vegetable seed in Connecticut unless a germination test was completed within the preceding nine months, not counting the month in which the test was performed. The act (1) extends the restriction to flower seed and tree and shrub seed and (2) describes the time period for germination testing as within 10 months, including the month in which the test was performed.

By law, no person may sell, offer or expose for sale, or transport for sale any agricultural or vegetable seed in Connecticut unless it (1) is labeled as required; (2) does not have a false or misleading label or advertisement; (3) meets certain purity standards; and (4) does not contain prohibited noxious-weed seeds, restricted noxious-weed seeds beyond certain tolerance levels, and more than 2.5% by weight of all weed seeds. The act extends these requirements to flower, tree, and shrub seed.

Exception to Sales and Transport Prohibitions

The act adds an exception to the sale and transport restrictions for agricultural, vegetable, or tree and shrub seed sold, offered or exposed for sale, or transported for sale in Connecticut in a hermetically sealed container.

But agricultural or vegetable seeds packaged in a hermetically sealed container may only be sold, offered or exposed for sale, or transported in the state for a 36-month period after the last day of the month in which the seeds were tested for germination before packaging. After the 36-month period, the seed must be retested within 10 months before selling, exposing or offering for sale, or transporting.

Generally Applicable Prohibitions

The act prohibits anyone from:

1. using a relabeling sticker for a seed more than once;
2. using a relabeling sticker that does not have the (a) calendar month and year the germination test was completed, (b) sell-by date, and (c) lot number that matches the existing, original lot number;
3. altering or falsifying any seed label, seed tests, laboratory report, record, or other document to mislead another on the kind, variety, history, quality, or origin on the seed; and
4. using the phrase “contains > than .01%” on a label as a substitute for any required statement.

The law already prohibits anyone from:

1. detaching, altering, defacing, or destroying a seed label;
2. altering or substituting seed in a manner that is inconsistent with the labeling requirements;
3. disseminating any false or misleading advertisement concerning any seed subject to the labeling requirements;
4. hindering or obstructing the agriculture commissioner in the performance of his duties;
5. failing to comply with a “stop sale” order or moving, handling, or disposing of any seed held under a “stop sale” order or disposing of any tag attached to it, except with the commissioner’s express permission;
6. using the word “trace” as a substitute for any required statement; and
7. using the word “type” in any labeling in connection with the name of an agricultural seed variety.

§ 4 — RECORD RETENTION REQUIREMENTS

The act extends to people whose names appear on a label as handling flower seed or tree or shrub seed, certain record retention provisions that already apply to people whose names appear on labels as handling agricultural or vegetable seed. Thus, under the act, anyone whose name appears on the label as handling the seeds must keep (1) for two years, a complete record of each seed lot handled and (2) for one year, a file sample of each seed lot after the final disposition of the lot. The records and samples must be accessible for inspection by the seed control officer (see below) or his or her agent during business hours.

The act specifies that these requirements do not apply to any tree seed a consumer produces.

§ 5 — EXEMPTIONS

The act, as under prior law, exempts certain seed and people from the labeling requirements and sales restrictions under certain conditions.

Similar to prior law, the act's provisions do not apply to:

1. seed or grain not intended for sowing purposes;
2. cleaned or conditioned seed in storage within, or in transit or consigned to, a cleaning or conditioning establishment;
3. any carrier transporting or delivering seed in the ordinary course of the carrier's business, if the carrier does not produce, condition, or market seeds; and
4. anyone who sells or offers for sale seed incorrectly labeled as to kind, species, subspecies, variety, type, origin, elevation, or year of collection, if (a) the seeds cannot be properly identified upon examination and (b) he or she obtained an invoice, genuine grower's or tree seed collector's declaration, or other labeling information, and took reasonable precautions to insure the label's veracity.

§ 6 — SEED CONTROL OFFICER'S ENFORCEMENT DUTIES AND POWERS

Enforcement Duties

Under prior law, the agriculture commissioner had the duty to enforce Connecticut's seed law. The act imposes this duty on the "seed control officer," who is the commissioner or his designee. The seed control officer, or his or her agent, must:

1. sample, inspect, analyze, and test seeds transported, sold, or offered or exposed for sale in Connecticut as he or she deems necessary to determine compliance with the labeling requirements;
2. promptly notify the seller and the labeler or transporter, as applicable, of any violation, "stop sale" order (see below), or seizure; and
3. adopt certain regulations.

In addition to the regulations prior law required the agriculture commissioner to adopt, the act expands the scope of the regulations that the seed control officer must adopt to include:

1. reasonable standards of germination for flower seeds;
2. labeling flower seeds with respect to their kind and variety or type and performance characteristics; and

3. developing lists of the kinds of (a) flower seeds, (b) tree or shrub seeds, and (c) vegetable seeds subject to the respective germination labeling requirements.

Enforcement Powers

Similar to the commissioner's duties under prior law, the seed control officer, in carrying out his or her duties, may:

1. access seeds and related records by entering (a) public or private premises during business hours and (b) a truck or other conveyer when accessible;
2. issue and enforce a "stop sale" order to the owner or custodian of any seed lot;
3. establish, maintain, or use seed testing facilities;
4. perform or provide for the performance of purity and germination tests for farmers and dealers on request;
5. adopt regulations on these purity and germination tests, including a fee to be charged for testing; and
6. cooperate with the U.S. Department of Agriculture or any other federal or state agency involved in seed law enforcement.

§ 7 — STOP SALE ORDERS

Under the act, the seed control officer may issue a stop sale order to prohibit the sale, conditioning, and movement of seed, except on his or her approval, until the seed control officer finds the act's requirements are met and issues a release from the order. Anyone aggrieved by an order may appeal to Superior Court. Prior law allowed the commissioner to issue stop sale orders.

§ 8 — SEIZURES AND INJUNCTIONS

Seizures

Under the act, the seed control officer may, upon complaint to the Superior Court, seize any seed lot that does not meet the act's requirements. If, after an opportunity for a hearing, the court finds the seed does not comply with the act and orders the condemnation of the seed, the seed must be denatured, processed, destroyed, relabeled, or otherwise disposed of in compliance with law. Prior law granted these powers to the commissioner.

Injunctions

As prior law allowed the commissioner, under the act, if the seed control officer applies to Superior Court for, and is granted, a temporary or permanent injunction restraining someone from violating or continuing to violate the seed law, the injunction must be issued without bond.

§§ 9 & 10 — PENALTY

The act increases the penalty for violating the seed law from a fine to a class D misdemeanor with a mandatory fine.

Under prior law, anyone who violated the seed law was fined up to \$100 for a first offense and up to \$250 for each subsequent offense. The violator could mail the fine to the Central Infractions Bureau without making a court appearance.

The act instead makes a violation of the seed law a class D misdemeanor, subject to a \$100 fine for the first offense and \$200 fine for each subsequent offense. In addition to the fine, a person may be sentenced to up to 30 days in prison. Fines can no longer be mailed in, thus, a court appearance is required.

PA 14-2—sHB 5465

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE CONNECTICUT AEROSPACE REINVESTMENT ACT

SUMMARY: This act allows large manufacturers to redeem unused corporation business tax credits earned for researching and developing (R&D) new products and production techniques. But, a manufacturer may not be able to use these and the other credits the law provides if they are, for example, worth more than the amount of taxes a manufacturer owes (see BACKGROUND).

Under the act, a manufacturer may redeem unused R&D credits if, among other things, it employs at least 15,000 people in Connecticut and undertakes a minimum \$100 million industrial reinvestment project (IRP), which may include one or more activities ranging from constructing plants to training employees. The redemption may be (1) an offset or refund for corporation business or sales and use taxes or (2) another form of compensation the Department of Economic and Community Development (DECD) commissioner chooses to provide.

The act specifies the process for redeeming the credits. A manufacturer must submit a proposed IRP to the commissioner for certification. If she certifies the IRP, the manufacturer and the commissioner must enter into a reinvestment contract that specifies how the state will redeem the credits and the terms and conditions under which it will do so. The commissioner's authority to enter into these contracts ends June 30, 2015.

The act also specifies how the commissioner must calculate annual redemption amounts, which are subject to various caps. During the redemption period, the manufacturer cannot earn new R&D credits or exchange unredeemed credits for cash, as existing law allows.

The commissioner must (1) identify other methods for redeeming credits that help businesses grow and create or retain jobs in Connecticut and (2) if appropriate, propose authorizing legislation. The commissioner also must report on approved IRPs in her comprehensive annual report to the governor and legislature.

Lastly, the act makes many technical changes.

EFFECTIVE DATE: Upon passage

R&D TAX CREDITS

By law, manufacturers can earn tax credits against the corporation business tax for R&D expenditures that are deductible from federal business taxes. A statutory formula determines the maximum amount of credits the manufacturer may claim against its state corporation business taxes (see BACKGROUND). Other statutory

provisions cap the amount the manufacturer may claim each year, but also allow it to carry forward and claim in subsequent tax years any unused credits (CGS § 12-217n). The act allows manufacturers to redeem these unused credits instead of carrying them forward and claiming them in subsequent years.

ELIGIBILITY

Eligible Manufacturers

The DECD commissioner may redeem unused R&D tax credits earned by individual manufacturers or groups of manufacturers filing combined corporation business tax returns if they:

1. are in a federally defined industrial sector (sectors 31-33, as defined in the federal Office of Management and Budget's *North American Industrial Classification System*, 2012 edition);
2. employ at least 15,000 people in Connecticut;
3. spent at least \$200 million per year on federally tax deductible R&D in Connecticut during the five full income years immediately preceding the application for IRP certification (see below); and
4. accumulated at least \$400 million in unused R&D credits.

Eligible IRPs

The commissioner may redeem an eligible manufacturer's unused R&D credits if the manufacturer proposes to spend at least \$100 million in Connecticut on:

1. buildings, improvements, property, plants, and equipment (physical development);
2. design work, professional fees, surveys and site preparation, remediation and cleanup, demolition, moving and renovation expenses, and other activities directly related to the physical development activities;
3. personal property;
4. federally tax-deductible R&D; and
5. employee hiring and training.

The manufacturer must incur these IRP-eligible expenditures within five "exchange years," the period during which the manufacturer is eligible for credit redemption. The first year begins on the date specified in the reinvestment contract (see below) and ends on June 30, 2015. Each successive contract runs from July 1 to June 30. The commissioner must begin redeeming a manufacturer's unused credits in exchange for implementing an IRP no sooner than July 1, 2015.

IRP APPROVAL PROCESS

IRP Certification

Manufacturers seeking to redeem unused R&D credits must propose an IRP to the commissioner for certification as meeting the act's criteria. A manufacturer must request the certification on a form she accepts, providing the information she requires. At a minimum, the manufacturer must:

1. provide a detailed plan outlining the IRP,
2. indicate how long it will take to complete it,
3. estimate the IRP's costs, and
4. specify the amount of unused credits the taxpayer proposes for redemption.

The commissioner may require any additional information needed to evaluate the request. The revenue services commissioner must confirm the amount of unused credits the DECD commissioner approves for redemption.

Only the DECD commissioner may decide whether to certify a proposed IRP, and the manufacturer cannot construe this requirement as a waiver of the state's sovereign immunity or an authorization for the manufacturer to sue the state if the commissioner denies certification.

Reinvestment Contract

Content. The vehicle for redeeming the credits is the reinvestment contract between the DECD commissioner and the manufacturer. The contract, which the commissioner may execute after certifying the proposed IRP, must specify:

1. each IRP segment;
2. the timeframe for completing the IRP;
3. the total amount of eligible expenditures the manufacturer agrees to make to complete the IRP;
4. the base levels for calculating credit redemption payments for projects seeking over \$200 million in such payments (see below);
5. the amount of the credit redemption payment, determined by the act's formula;
6. the terms and conditions the manufacturer must satisfy to receive these payments, including information it must submit to the commissioner and provisions (a) giving her access to the relevant records and (b) allowing her to verify their accuracy;
7. a requirement that the manufacturer repay the redeemed credits if it fails to comply with the contract;
8. how the manufacturer must notify the commissioner about disputed claims under the contract; and

9. any other terms and conditions the commissioner chooses to impose.

The act exempts the contract from specific laws imposing requirements that are inconsistent with the contract's provisions. These requirements:

1. limit the extent to which credits can be used to reduce a business' tax liability,
2. specify how R&D credits must be calculated,
3. list the order in which credits earned for different purposes may be claimed,
4. limit the amount of economic development funds a project may receive based on its location, and
5. require legislative approval for such projects if the funding exceeds specified thresholds.

Resolving Disputes. If a manufacturer cannot resolve any claims under the contract, it may sue the state in Hartford Superior Court. The manufacturer must first notify the commissioner, as the contract requires. It must also bring the action within two years of this notice. The act reserves all legal defenses to the state except sovereign immunity.

CREDIT REDEMPTION

Redemption Forms

Manufacturers may redeem only those unused R&D credits they accumulated up to the end of the last income year before submitting an IRP for certification, and the commissioner may determine how and when they may redeem them. She may provide (1) corporation business or sales and use tax refunds or offsets or (2) grants, loans, or other forms of financial assistance. She must consult with the revenue services commissioner if she chooses to redeem the credits with tax refunds or offsets.

Credit Redemption Amount Caps

The act caps the amount of redemption the commissioner may provide. It caps the total amount of redemption available for all eligible manufacturers at \$400 million and further caps the amount available each year at (1) \$20 million per year during the first five years she redeems credits under a reinvestment contract and (2) \$33,334,000 per year for the nine subsequent payment years under that contract.

The act also caps the total amount of credits a manufacturer can redeem for undertaking a certified IRP at the total amount of eligible expenditures. The actual cap varies depending on the redemption amount. If that amount exceeds \$200 million (large IRPs), the redemption cap equals the total value of eligible IRP expenditures or \$375 million, whichever is less. If the redemption amount equals no more than \$50 million (small IRPs), the cap is the total value of eligible IRP

expenditure or \$50 million, whichever is less.

The manufacturer cannot make any use of the credits the commissioner approves for redemption, but it may use those she did not approve for this purpose as the law allows.

The DECD commissioner must notify the revenue services commissioner about the value of the credits she approves for redemption under a reinvestment contract.

Calculating Actual Redemption Amount for Large IRPs

The method for calculating redemption amounts depends on the IRP’s size. For a large IRP or a segment of it (up to the \$375 million cap mentioned above), the redemption amount in each of the first five “payment years” equals a portion of the eligible expenditures incurred during each of those years. That portion is based on the level of the manufacturer’s annual activity in four areas—engineers employed in Connecticut, total Connecticut workforce, total Connecticut payroll, and total R&D and capital expenditures (excluding such expenditures made under the reinvestment contract).

The act assigns a maximum percentage weight to each of these areas, the total of which equals 100%. The act provides a schedule specifying activity levels for each area and a corresponding percentage weight. The manufacturer must select the level that matches its activity level for its most recently completed fiscal year prior to the year the commissioner certified the IRP (base level). The actual weight for each area depends on the degree to which the activity fell above or below the designated base level. The commissioner determines the redemption amount by totaling the actual weights for each area and multiplying the sum by the total eligible IRP expenditures.

The manufacturer must specify the base level for each area in the reinvestment contract and certify those levels within 120 days after entering into that contract. If the manufacturer certifies base levels that are different from those in the contract, the commissioner may adjust the weighting factors specified in the act, but the act does not specify how she must do so.

Table 1 shows the factors the commissioner must use to calculate the redemption amounts for a hypothetical IRP. It identifies the weighting factors, the maximum percentage weight for each factor, base level the manufacturer certified in the reinvestment contract, and range of weighting percentages for selected activity levels above and below that level.

Table 1: Weighting Factors for Calculating Hypothetical Large IRP Redemption Amount

| Performance Factor Components | Performance Factors | | | |
|---|--|---------------------------------------|---|--|
| | Employment Level of Engineers in Connecticut | Overall Connecticut Employment Level | Connecticut Payroll Levels | R&D and Capital Expenditure Levels |
| Maximum Weighting Percentage | 20% | 30% | 30% | 20% |
| Performance Levels | 4,350-5,000 engineers | 12,450-14,400 employees | \$1.370 million - \$1.565 million payroll | \$680.0 million - \$810.0 million R&D and Capital Expenditures |
| Range of Activity Levels and Associated Weighting Percentages | Below 4,350: 0% | Below 12,450: 0% | Below \$1.370 million: 0% | Below \$680.0 million: 0% |
| | 4,900 base level: 18% 5,000: 20% | 14,100 base level: 27% 14,400: 30% | \$1.535 million base level: 27% \$1.565 million: 30% | \$790.0 million base level: 18% \$810.0 million: 20% |

As noted above, the commissioner determines the annual redemption amount by multiplying the eligible expenditure for a payment year by the sum of the percentages for each weighting factor. Table 2 shows how the commissioner would calculate the annual redemption amount for the hypothetical IRP.

Table 2: Calculating Redemption Amount for Hypothetical IRP

| Step 1: Determine Annual Eligible IRP Expenditures: Given: Annual Eligible IRP Expenditures Equals \$50 million | | | | | |
|--|--|--------------------------------------|----------------------------|------------------------------------|---------------------|
| Step 2: Determine Total Annual Weighting Factors | | | | | |
| Variables | Weighting Factors | | | | |
| | Employment Level of Engineers in Connecticut | Overall Connecticut Employment Level | Connecticut Payroll Levels | R&D and Capital Expenditure Levels | Total Actual Weight |
| Base Activity Level | 4,900 engineers | 14,100 employees | \$1,535 million | \$790.0 million | |
| Actual Activity Level | 5,000 engineers | 14,100 employees | \$1,535 million | \$810.0 million | |
| Actual Weight | 20% (out of 20%) | 27% (out of 30%) | 27% (out of 30%) | 20% (out of 20%) | 94% (out of 100%) |
| Step 3: Determine Redemption Amount \$50 million (Annual IRP Eligible Expenditures) X 94% (Total of Weighting Factors) = \$47 million (Redemption Amount) | | | | | |

Calculating Credit Exchange Payments for Small IRPs

The method for calculating redemption amounts for small IRPs is based on their R&D and capital expenditures components. The R&D component consists of (1) actual R&D expenditures and (2) the number of people the manufacturer retained to conduct

R&D in Connecticut during that payment year.

Table 3 shows the required spending and employment retention levels for each component.

Table 3: Schedule for Calculating Redemption Amounts for Small IRPs

| <i>Component</i> | <i>Minimum Requirement</i> | <i>Credit Exchange Payment Amount</i> |
|-------------------|---|--|
| Capital Component | Over \$1 million per component | 40% of the total expenditure for each component over \$1 million |
| R&D Component | Over \$10 million for all components and retain at least 100 employees in Connecticut | \$1 million per component |

RESTRICTIONS ON EARNING NEW CREDITS OR EXCHANGING UNUSED CREDITS DURING EXCLUSION PERIOD

After the commissioner approves a manufacturer for credit redemption, the manufacturer cannot earn new R&D credits nor qualify for cash refunds for unused credits during the “exclusion period,” which must be specified in the reinvestment contract. This ban applies to the 20% incremental and rolling R&D credits (CGS §§ 12-217j and 12-217n, respectively) (see BACKGROUND). But the manufacturer may still claim any accumulated incremental R&D credits and any accumulated but unredeemed rolling R&D credits. The act does not stop the manufacturer from using other already approved credits or affect its eligibility for these credits.

LEGISLATIVE REPORT

The DECD commissioner must report on the credit redemption amounts in her comprehensive annual report to the governor and legislature. In doing so, she must include the number of projects she approved and reinvestment contracts she executed, status of each certified IRP, amount of credits redeemed, and performance levels the manufacturers achieved to obtain the payment amounts.

BACKGROUND

R&D Tax Credit

The law authorizes two types of R&D tax credits businesses may claim against the state’s corporation business tax. It authorizes a credit equal to 20% of the annual increase in R&D expenditures over the prior year (incremental R&D credit; CGS § 12-217j) and a credit based on a manufacturer’s size, location, and total annual R&D expenditures (rolling R&D credit; CGS § 12-217n). Regarding the latter, the credit equals the greater of: (1) 3.5% of a manufacturer’s annual R&D

expenditures or (2) the amount derived using a two-step formula for calculating credit amounts. Applying the formula, the manufacturer first calculates the tentative credit amount, based on its total R&D expenditure for the year. The amount ranges from 1% of R&D expenditures totaling less than \$50 million to \$5.5 million plus 6% of R&D expenditures above \$200 million.

The second step limits the actual amount of credit the manufacturer may claim to the greater of the following amounts:

1. 50% of the tax liability without subtracting the R&D credit or
2. the lesser of (a) 200% of the total tentative credit amount, as determined in the first step, or (b) 90% of the total tax bill, without subtracting the R&D credit.

The credit for manufacturers that do not meet the location, size, and annual revenue criteria equals the amount derived from applying the two-step formula.

Accumulating Unused R&D Tax Credits

Businesses accumulate unused credits when the credit amounts exceed their tax liability or the credit cannot be (1) transferred or assigned to another taxpayer or (2) carried forward or backward for application against future or past tax liability. Other factors that might cause a manufacturer to accumulate credits are the laws barring them from using credits to reduce their annual tax liability by more than 70% (CGS § 12-217zz) and specifying the order in which they may claim credits (CGS § 12-217aa).

PA 14-60—HB 5471

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL AND MINOR CHANGES TO TAXATION AND RELATED STATUTES

SUMMARY: This act makes technical changes in statutes concerning various taxes and the Bioscience Innovation Advisory Committee.

EFFECTIVE DATE: October 1, 2014

PA 14-81—sHB 5467

Finance, Revenue and Bonding Committee

AN ACT CONCERNING PROCEDURES FOR DEBT CERTIFICATIONS AND THE TAX EXPENDITURE REPORT

SUMMARY: This act requires the Senate president pro tempore and the House speaker or their designees to notify the state treasurer when their chamber becomes the first to consider any bill authorizing the state to issue bonds, notes, or debt instruments. Except in certain circumstances, the treasurer, by law, must already certify that these bills will not cause the state's debt to exceed the statutory limit before the legislature can approve them.

The act delays, from January 1 to February 1, the deadline by which the Office of Fiscal Analysis must prepare and submit its biennial tax expenditure report to the Finance, Revenue and Bonding Committee. (The next report is due in 2016.) Tax expenditures are statutorily authorized exemptions, exclusions, deductions, or credits that cause the state or municipalities to forgo tax revenues. Among other things, the report must list each tax expenditure, explain why the legislature enacted it, and estimate the revenue loss for the current biennium.

EFFECTIVE DATE: October 1, 2014

PA 14-98—sSB 29

Finance, Revenue and Bonding Committee

AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS, TRANSPORTATION AND OTHER PURPOSES, AND CONCERNING MISCELLANEOUS PROGRAMS, INCLUDING THE SMART START PROGRAM, THE WATER IMPROVEMENT SYSTEM PROGRAM, SCHOOL SECURITY GRANTS, THE REGENERATIVE MEDICINE RESEARCH FUND, THE CONNECTICUT MANUFACTURING INNOVATION FUND AND THE BOARD OF REGENTS FOR HIGHER EDUCATION INFRASTRUCTURE ACT

SUMMARY: This act authorizes up to \$933.1 million in new state general obligation (GO) bonds for state capital projects and grant programs, including (1) \$860.5 million in new authorizations for FYs 14 through 24, (2) \$89.7 million in net changes to FY 15 authorizations enacted in 2013, and (3) \$17.2 million in cancellations of authorizations from prior fiscal years. It also authorizes up to \$17.6 million in new special tax obligation (STO) bonds for transportation projects,

including (1) \$28.4 million in new authorizations for FY 15 projects and (2) \$10.9 million in net decreases to FY 15 STO authorizations enacted in 2013.

Among other things, the act:

1. (a) authorizes \$103.5 million in new bonding under the Connecticut State University System (CSUS) 2020 infrastructure program (renamed by the act as the Connecticut State Colleges and Universities (CSCU) 2020 program), (b) expands the program to include the regional community-technical colleges and Charter Oak State College, and (c) extends it by one year to FY 19;
2. (a) establishes the Connecticut Manufacturing Innovation Fund, administered by the Department of Economic and Community Development (DECD), to provide financial assistance to targeted disciplines and industries, (b) authorizes up to \$30 million in GO bonds to capitalize the fund, and (c) establishes an 11-member advisory board to oversee its operations;
3. (a) broadens the scope of the existing Stem Cell Research Fund to include regenerative medicine, (b) shifts administrative responsibility for the fund from the Department of Public Health (DPH) to Connecticut Innovations Incorporated (CII), and (c) authorizes up to \$40 million in GO bonds for the fund from FY 16 through FY 19;
4. establishes a new grant program for eligible drinking water projects approved by DPH under its Drinking Water State Revolving Fund (DWSRF) program and authorizes up to \$50 million in GO bonds in FY 15 for the program;
5. authorizes up to \$105 million in GO bonds over FYs 15 through 24 for the newly created Connecticut Smart Start competitive grant program, which provides capital and operating grants to local and regional boards of education establishing or expanding preschool programs;
6. authorizes \$80 million in new bonds for the Urban Action program for economic and community development projects the Office of Policy and Management (OPM) undertakes and reserves \$10 million of this amount for a grant to develop an intermodal transportation facility in northeastern Connecticut (§ 28);
7. authorizes the DECD commissioner to waive, for small businesses in the state's 25 distressed municipalities, the requirement that they provide a match for grants received under the small business express program (§ 43);

8. increases, from \$650 million to \$800 million, the total amount of business tax credits available under the Urban and Industrial Site Reinvestment Program (§ 44);
9. authorizes \$100 million in new bonds for the Manufacturing Assistance Act program (§ 45); and
10. expands the state's competitive school security grant program to regional education service centers (RESC), state charter schools, technical high schools, endowed academies, and private schools, and authorizes an additional \$22 million in bonds for the program.

EFFECTIVE DATE: July 1, 2014, unless otherwise noted below.

§§ 1-15, 82, & 97 — BOND AUTHORIZATIONS FOR STATE AGENCY PROJECTS AND GRANTS

The act authorizes up to \$339.2 million in new GO bonds for FY 15 for the state projects and grant programs listed in Table 1. The bonds are subject to standard issuance procedures and have a maximum term of 20 years.

The act includes a standard provision requiring that, as a condition of bond authorizations for grants to private entities, each granting agency include repayment provisions in its grant contract in case the facility for which the grant is made ceases to be used for the grant purposes within 10 years of the grantee receiving it. The required repayment is reduced by 10% for each full year that the facility is used for the grant purpose.

Table 1: GO Bond Authorizations for FY 15

| § | AGENCY | FOR | FY 15 |
|------------------------------------|--|---|-------------|
| <i>State Projects and Programs</i> | | | |
| 2(a) | Office of Legislative Management | Information technology upgrades, replacements, and improvements; Capitol complex equipment replacement, including updated technology for the Office of State Capitol Police; and renovations, repairs, and minor capital improvements at the Capitol and Old State House | \$4,892,200 |
| | | Production and studio equipment for the Connecticut Network | 3,230,000 |
| 2(b) | Office of Governmental Accountability | Information technology improvements | 1,000,000 |
| 2(c) | Office of the State Comptroller (OSC) | Enhancements and upgrades to the CORE financial system for the retirement module | 50,000,000 |
| | | Enhancements and upgrades to UConn's Core-CT human resources system | 7,000,000 |
| 2(d) | OPM | Transit-oriented development and predevelopment activities | 7,000,000 |
| 2(e) | Department of Veterans' Affairs (DVA) | State matching funds for federal grants for renovations and code improvements to existing facilities | 1,409,450 |
| | | Planning and feasibility study for additional veterans' housing at the Rocky Hill campus, including vacant building demolition | 500,000 |
| 2(f) | Department of Administrative Services (DAS) | Land acquisition, construction, improvements, repairs, and renovations at fire training schools | 15,777,672 |
| | | Building acquisition and renovation for Probate Court offices | 3,000,000 |
| | | Infrastructure improvements, including engineering and construction of an offsite storm water improvement related to the construction of a new courthouse in Torrington | 800,000 |
| 2(g) | Office of the Healthcare Advocate | Development, acquisition, and implementation of health information technology systems and equipment to support the state innovation model | 1,900,000 |
| 2(h) | Agricultural Experiment Station | Planning, design, construction, and equipment for additions and renovations to the Valley Laboratory in Windsor | 1,000,000 |
| 2(i) | Capital Region Development Authority (CRDA) | CRDA's statutory uses and purposes | 30,000,000 |
| 2(j) | Department of Energy and Environmental Protection (DEEP) | Public, educational, and governmental programming and education account | 3,500,000 |
| 2(k) | State Library | Creation and maintenance of a statewide platform for the distribution of electronic books to public library patrons | 2,200,000 |
| 82 | State Department of Education (SDE) | Technical high school system: Establish a pilot program to provide expanded educational opportunities, for academic enrichment and trades training for secondary and adult learners, by extending hours at technical high schools in Hamden, Hartford, New Britain, and Waterbury | 3,500,000 |
| <i>Grants</i> | | | |
| 9(a) | OSC | Grant to Connecticut Public Broadcasting Network for transmission, broadcast, production, and information technology equipment | 3,300,000 |
| 9(b) | Department of Consumer Protection | Grants or reimbursement to municipalities of up to \$1,000 each for the initial installation of a prescription drug drop box | 100,000 |
| 9(c) | Department of Labor | Subsidized Training and Employment program | 10,000,000 |
| 9(d), 97 | DEEP | Grants or loans to municipalities for (1) acquiring land or public parks or (2) recreational and water quality improvements | 20,000,000 |

| <i>§</i> | <i>AGENCY</i> | <i>FOR</i> | <i>FY 15</i> |
|----------|---------------------------------------|--|--------------|
| | | Grant to Mansfield for the Four Corners project's wastewater component | \$3,000,000 |
| 9(e) | DECD | Connecticut Manufacturing Innovation Fund; earmarks \$5 million for a grant to the Connecticut Center for Advanced Technology for research and development of advanced composite materials machining | 30,000,000 |
| | | Grant to Northeast Connecticut Economic Development Alliance | 2,000,000 |
| | | Grants to nonprofit organizations sponsoring cultural and historic sites | 10,000,000 |
| | | Grants to nonprofit organizations sponsoring children's museums, aquariums, and science-related programs; earmarks (1) \$10.5 million for a grant to the Connecticut Science Center and (2) \$6.6 million for a grant to the Maritime Aquarium in Norwalk | 17,100,000 |
| | | Grant to the Hartford Economic Development Corporation for grants and revolving loans to small and minority-owned businesses in urban areas | 5,000,000 |
| 9(f) | Department of Housing (DOH) | Shoreline Resiliency Fund | 25,000,000 |
| 9(g) | Department of Transportation (DOT) | Grants to municipalities for the Town-Aid-Road program (see § 95) | 60,000,000 |
| 9(h) | Department of Social Services | Grant to Oak Hill for acquiring Camp Hemlocks or related capital improvements | 1,000,000 |
| 9(i) | Department of Rehabilitation Services | Grants for home modifications and assistance technology devices related to aging in place | 6,000,000 |
| 9(j) | SDE | Grants for alterations, repairs, improvements, technology, equipment, and capital start-up costs to expand the availability of high-quality school models and assist in implementing common core state standards and assessments, in accordance with procedures the SDE commissioner establishes | 10,000,000 |

§§ 16-21 — TRANSPORTATION PROJECTS

The act authorizes up to \$28.4 million in new STO bonds in FY 15 for the following transportation projects in DOT’s Bureau of Engineering and Highways Operations:

1. \$10,000,000 for developing a comprehensive asset management plan in accordance with federal requirements,
2. \$5,400,000 for highway and bridge renewal equipment,
3. \$10,000,000 for the local bridge program, and
4. \$3,000,000 to reconfigure an existing off ramp on the Merritt Parkway in Westport.

§§ 22-23, 32-35, 40, & 88 — REGENERATIVE MEDICINE RESEARCH FUND

The act broadens the scope of the existing Stem Cell Research Fund to include regenerative medicine and renames the fund the Regenerative Medicine Research Fund to reflect this new scope. It defines “regenerative medicine” as the process for creating living, functional tissue to repair or replace tissues or organ function lost due to aging, disease, damage, or congenital defects. Regenerative medicine includes basic stem cell research.

The act shifts the administrative responsibility for the fund from DPH to CII. CII is the state’s quasi-public economic development agency that, among other things, invests venture capital in new and established businesses developing new technologies. It allows CII to use up to 4% of the fund’s FY 15 funding to pay or reimburse its administrative costs. The act also authorizes CII to enter into agreements with other entities, including other states and countries, to increase research collaboration opportunities for grant recipients. It makes many technical changes conforming to the fund’s broadened scope and modified administrative structure.

The act (1) authorizes up to \$40 million in new GO bonds for the fund, \$10 million each year from FYs 16 through 19, and (2) transfers an existing \$10 million bond authorization from DPH to CII for the fund. It also extends, from FY 15 to FY 19, the requirement that at least \$10 million be available each year from the fund for the grants.

EFFECTIVE DATE: October 1, 2014, except for the (1) provision authorizing new bonds for the fund, which is effective July 1, 2015, and (2) provisions concerning CII’s administrative costs and transferring an existing bond authorization, which are effective July 1, 2014.

Regenerative Medicine Research Advisory Committee

Purpose. Under prior law, the Stem Cell Research Advisory Committee reviewed and recommended stem-cell research grants from the fund and performed related duties, including developing grant applications and requiring eligible institutions seeking research grants to describe themselves, their plans for stem cell research, and the possible financial benefits to the state resulting from their research.

The act renames the committee the Regenerative Medicine Advisory Committee and requires it to perform these duties with respect to regenerative medicine. It also requires the committee to direct CII’s chief executive officer (CEO), instead of the DPH commissioner, on awarding grants, which she must do after considering the recommendations of the peer review committee described below.

Composition. The act retains the advisory committee’s existing structure, but changes its composition to reflect its broader scope. It (1) keeps the DPH commissioner (or her designee) on the committee but removes her as chairperson and (2) adds CII’s CEO (or her designee) to the committee, increasing its membership from 17 to 18, and making the CEO or her designee its chairperson.

The act retains the existing appointing authorities but changes the qualifications of the members they must appoint to reflect the inclusion of regenerative medicine research, as shown in Table 2.

Table 2: Regenerative Medicine Research Advisory Committee Composition

| <i>Appointing Authority (number of appointees)</i> | <i>Qualifications Under Prior Law</i> | <i>Qualifications Under the Act</i> |
|---|---|--|
| Governor (four) | Two nationally recognized active investigators in stem cell research One with background and experience in bioethics One with background and experience in ethics | One with background and experience in stem cell or regenerative medicine research Three with background and experience in business or financial investments |
| Senate president pro tempore and House speaker (two each) | Background and experience in private sector stem cell research and development (R&D) | Background and experience in regenerative medicine R&D |
| House and Senate majority leaders (two each) | Academic researchers specializing in stem cell research | Academic researchers specializing in regenerative medicine research |
| Senate minority leader (two) | Background and experience in private- or public-sector stem | Background and experience in private- or public-sector |

| <i>Appointing Authority (number of appointees)</i> | <i>Qualifications Under Prior Law</i> | <i>Qualifications Under the Act</i> |
|--|---|--|
| | cell R&D or related research fields | regenerative medicine R&D or related research fields |
| House minority leader (two) | Background or experience in business or financial investments | One with background and experience in bioethics One with background or experience in business, law, or ethics |

Duties. The act realigns the committee's duties to encompass regenerative medicine research, adds a new requirement, and makes conforming technical changes. It requires the committee to prepare a comprehensive strategic plan for the research fund and grant awards. At a minimum, the plan must identify methods or strategies to achieve the fund's economic development objectives, build capacity for innovation, and sustain the money invested in the fund. The act does not establish a deadline for completing the plan.

CII Support. Under prior law, CII had to assist the committee in (1) developing and reviewing grant applications, (2) preparing and executing funding agreements, and (3) performing other administrative duties. The act instead requires CII to perform these tasks in consultation with the committee. (Existing law, unchanged by the act, requires the committee to develop the grant application itself.)

CII must also, in consultation with the committee, review the committee's recommendations and develop performance metrics and data collection systems. Specifically, CII must collect data from grant recipients on their employment statistics; business accomplishments and outcomes; peer-reviewed articles and published papers; partnerships and collaborations with other entities; licenses, patents, and invention disclosures; intellectual property developed with the grant that was put to commercial use; and research funds from other sources.

Regenerative Medicine Research Peer Review Committee

Purpose. The act renames the Stem Cell Research Peer Review Committee the Regenerative Medicine Research Peer Review Committee, changing its composition and purpose to reflect the inclusion of regenerative medicine research.

Composition. The act changes the qualifications and appointing authority of the committee members, also reflecting its emphasis on regenerative medicine research. Beginning October 1, 2014, it shifts, from the DPH commissioner to the CII CEO, authority to appoint the committee's five members and eliminates the

commissioner's authority to appoint up to 10 additional members to review grant applications. But members previously appointed by the DPH commissioner may continue serving on the committee until their terms expire.

The CII appointees must (1) have demonstrated knowledge and understanding of the ethical and medical implications of regenerative medicine research or related research fields, (2) have practical research experience in these research areas, and (3) work to advance regenerative medicine research. Under prior law, the DPH appointees had to meet these criteria with respect to stem cell research. The appointees serve four-year terms, except for the first three, whose initial terms are for two years. Like the DPH appointees, these appointees cannot serve more than two consecutive four-year terms nor concurrently serve on the Regenerative Medicine Advisory Committee. The law's existing requirements regarding attendance, ethics, and conflicts of interest also apply to them.

Duties. By law, the peer review committee considers grant applications and makes recommendations about their ethical and scientific merit. Under the act, the committee must make these recommendations to the advisory committee alone, rather than to both the committee and the DPH commissioner.

The act extends to the reconstituted committee the requirement that its members make themselves aware of the National Academies' Guidelines for Human Embryonic Stem Cell Research and use them to evaluate each grant application. But it eliminates a requirement that the committee make recommendations to the advisory committee and the DPH commissioner about adopting any or all of these guidelines in regulations.

Compensation. The act changes the funding source for compensating committee members for their reviews. Under prior law, the funds came from the Stem Cell Research Fund, and the compensation rate was determined by the DPH commissioner in consultation with DAS and OPM. Under the act, CII compensates the members with its funds at a rate its board of directors sets.

§§ 24 & 25 — SMART START COMPETITIVE GRANT PROGRAM FUNDING

PA 14-41 requires the Office of Early Childhood (OEC), in consultation with SDE, to design and administer the Connecticut Smart Start competitive grant program. The program, which runs from FYs 15 through 24, provides capital and operating grants to local and regional boards of education establishing or expanding preschool programs.

The act authorizes up to \$105 million in GO bonds over FYs 15 through 24 for the program: \$15 million for FY 15 and \$10 million for each of FYs 16 through 24. It establishes the smart start competitive grant account, a separate, nonlapsing General Fund account, to fund the grant program and directs the bond proceeds to the account.

EFFECTIVE DATE: Upon passage for the provision creating the account and July 1, 2014 for the bond authorizations.

§ 26 — TORRINGTON COURTHOUSE

The act authorizes up to \$8,817,000 in new GO bonds for the Judicial Branch in FY 14 to develop a courthouse in Torrington, including land acquisition and parking.

EFFECTIVE DATE: Upon passage

§ 27 — NEW MARKETS TAX CREDITS

The act allows bond-funded grants to pass to proposed grant recipients through certain entities eligible for federal New Markets tax credits.

Under the act, if the bond commission and the state treasurer approve, bond proceeds for a proposed grant project may be paid directly to a federally certified “qualified community development entity” (CDE) or to a business that invests exclusively in such an entity (see BACKGROUND), rather than to the grant recipient itself. Grants can be paid in this way only if (1) the proposed grant recipient requests it and (2) substantially all of the grant proceeds are available to the proposed recipient to fund the authorized project.

Under federal law, the U.S. Treasury allocates a share of the annual aggregate New Markets tax credits to qualified CDEs. They in turn make the credits available to private entities that invest in business projects in low-income areas. The credits equal 39% of the qualified investments, taken over seven years.

EFFECTIVE DATE: Upon passage

§§ 29, 41-42, & 98 — STATUTORY BOND-FUNDED PROGRAMS AND GRANTS

§ 29 — *UConn 2000 Projects Financed with University Resources*

By law, the UConn 2000 infrastructure program caps the amount of bonds UConn may issue each year that are secured by a state debt service commitment (CGS § 10a-109g). The act specifies that projects secured by other revenue sources (i.e., university fee revenue) are not subject to these annual bond caps.

EFFECTIVE DATE: Upon passage

§§ 41 & 42 — *DEEP and DESPP Buy-Out Program for Storm-Damaged Properties*

Prior law authorized \$4 million in bonds for DEEP and the Department of Emergency Services and Public Protection (DESPP) (\$2 million each) to implement a buy-out program that provides grants to homeowners and businesses that receive Federal Emergency Management Agency funds for flood hazard mitigation or property damage due to storms in 2011 and subsequent years. The act transfers \$1 million of DEEP’s bond authorization to DESPP, thus increasing DESPP’s authorization for the program from \$2 million to \$3 million.

§ 98 — *Commercial Rail Freight Line Competitive Grants*

The act authorizes \$10 million in new bonds for DOT’s commercial rail freight line competitive grant program. It also expands the range of eligible projects for which the DOT commissioner must give preference to include those (1) furthering DOT’s Connecticut State Rail Plan goals and objectives and (2) increasing the capacity of the state’s freight rail infrastructure.

§§ 30, 60-72, 75-81, 83-87, 89-96, & 99 — BOND CANCELLATIONS AND CHANGES TO EXISTING AUTHORIZATIONS

§§ 30, 61, 63-65, 69, & 71 — *Cancellations*

The act cancels all or part of bond authorizations for certain projects and grants from prior fiscal years, as shown in Table 3.

Table 3: Bond Cancellations

| <i>§</i> | <i>Agency</i> | <i>For</i> | <i>Prior Authorization</i> | <i>Amount Cancelled</i> |
|----------|---|---|----------------------------|-------------------------|
| 30 | UConn | Developing a technology park and related buildings at the university, including planning, design, construction and improvements; land acquisition; purchase of equipment; on-site and off-site utilities; and infrastructure improvements | \$172,500,000 | \$3,000,000 |
| 61 | Judicial Department | Hartford Juvenile Matters and Detention Center: renovation and expansion of courtrooms | 7,000,000 | 4,817,000 |
| 63 | Community College System (Northwestern Community College) | Nursing and allied health program infrastructure development and improvements | 340,000 | 340,000 |
| 64 | Judicial Department | Alterations and improvements to existing facilities relating to change in age jurisdiction | 4,000,000 | 4,000,000 |
| 65 | Connecticut State University System (all universities) | Land and property acquisitions | 100,000 | 5,490 |
| 71 | Community College System (all colleges) | Facilities alterations and improvements, including fire safety, energy conservation, code compliance, and property acquisition | 5,000,000 | 5,000,000 |

EFFECTIVE DATE: July 1, 2014, except for the Judicial Branch cancellations, which are effective upon passage.

§§ 62 & 68 — Supertotal Changes

The act adjusts bond supertotals in PA 07-7 and PA 11-57 that correspond to FY 08 and FY 12 bond authorizations, respectively, to align them with the specific bond authorizations that make up those totals.

§ 66 — Restored Bond Authorizations

The act restores the following DAS bond authorizations, repealed by PA 13-239 (§ 116):

1. \$4,100,000 for developing and implementing the Connecticut Education Network,
2. \$2,165,000 for planning and designing an alternate state data center, and
3. \$4,180,847 for developing and implementing information technology systems to comply with the Health Insurance Portability and Accountability Act.

EFFECTIVE DATE: Upon passage

§§ 67, 72, 75, & 91 — Bond Authorizations Transferred to OEC

The act transfers the following existing bond authorizations for SDE to OEC:

1. \$1,500,000 for grants for minor capital improvements and wiring for technology for school readiness programs and
2. \$36,500,000 for grants for improvements and minor capital repairs to facilities housing school readiness programs and state-funded day care centers.

It also expands the entities to which OEC may award the grants for school readiness programs and state-funded day care centers. Under prior law, the grants were for municipalities and certain nonprofit organizations operating such programs and centers. The

act instead directs the grants to sponsors of such programs and centers.

§ 70 — DAS Improvements to State Office Building and Parking

The act limits the purposes for which DAS may use an existing authorization of up to \$24 million for improvements to the State Office Building and associated parking facilities in Hartford. Specifically, it eliminates planning, design, development, and demolition work related to the improvements as permissible uses of the funds.

§§ 76 & 92 — Exemption from Grant Repayment Requirements

The act exempts private nonprofit health and human service organizations from the standard repayment provision for grants made from GO bond proceeds. The exemption includes certain grants to such entities for alterations, renovations, improvements, additions, and new construction, including (1) health, safety, Americans with Disabilities Act (ADA) compliance, and energy conservation improvements; (2) information technology systems; (3) technology for independence; and (4) vehicle purchases.

OPM awards the grants under PA 13-239, which authorized \$20 million for the program for FYs 14 and 15.

§§ 77-81, 83-87, 89-90, 93-96, & 99 — Changes to FY 15 Bond Authorizations

The act changes certain FY 15 GO and STO bond authorizations enacted in 2013 (PA 13-239 and PA 13-268), as listed in Tables 4 and 5.

Table 4: Changes to FY 15 GO Bond Authorizations Enacted in 2013

| <i>§</i> | <i>Agency</i> | <i>For</i> | <i>Auth. for FY 15</i> | <i>Change</i> | <i>Total Auth. For FY 15</i> |
|----------|--|--|------------------------|---------------|------------------------------|
| 78 | OPM | Information technology capital investment program | \$25,000,000 | \$25,000,000 | \$50,000,000 |
| 79 | DVA | Alterations, renovations, and improvements to buildings and grounds | 750,000 | 300,000 | 1,050,000 |
| 80 | DESPP | Alterations and improvements to buildings and grounds, including utilities, mechanical systems, and energy conservation | 5,000,000 | 3,000,000 | 8,000,000 |
| 81 | DEEP | Recreation and Natural Heritage Trust Program: recreation, open space, and resource management | 10,000,000 | (2,000,000) | 8,000,000 |
| 83 | Board of Regents for Higher Education (All community colleges) | New and replacement instruction, research, or laboratory equipment | 5,000,000 | (5,000,000) | 0 |
| | | System technology initiative | 5,000,000 | (5,000,000) | 0 |
| | | Alterations, renovations, and improvements to facilities, including fire, safety, energy conservation, code compliance, and property acquisition | 5,000,000 | (5,000,000) | 0 |
| 84, 85 | DOH | Housing development and rehabilitation, including improvements to various kinds of state-assisted affordable housing New: The act (1) eliminates a \$30 million limit for revitalizing moderate rental housing units in the Connecticut Housing Finance Authority's state housing portfolio, allowing DOH to use any portion of the bond funds for such purposes and (2) earmarks \$20 million to promote homeownership through new home construction or home conversion in Bridgeport, Hartford, New Britain, New Haven, New London, Norwalk, and Stamford. | 70,000,000 | 20,000,000 | 90,000,000 |
| 87 | OPM | Grants to private, nonprofit, tax-exempt health and human service organizations for alterations, renovations, improvements, additions, and new construction, including (1) health, safety, ADA compliance, and energy conservation improvements; (2) information technology systems; (3) technology for independence; and (4) vehicle purchases New: The act (1) restricts the grants to nonprofits that receive state funds to provide direct health or human services to state agency clients, (2) allows the grants to be used for property acquisition, and (3) allows OPM to allocate \$20 million of the total authorization to FY 14 project applications | 20,000,000 | 30,000,000 | 50,000,000 |
| 89 | DOT | Grants for port and marina improvements, including dredging and navigational direction | 5,000,000 | 20,000,000 | 25,000,000 |
| 90 | SDE | Grants for <i>Sheff</i> magnet school program start-up costs: Purchasing a building or portable classrooms, leasing space, and purchasing equipment, including computers and classroom furniture New: The act specifies that the funds are to assist the state in meeting the goals of the current, rather than 2008, <i>Sheff v. O'Neill</i> stipulation and order. | 7,500,000 | 9,900,000 | 17,400,000 |
| 99 | DECD | Grants (\$500,000 each) to (1) the Metropolitan Economic Development Commission to create elderly housing, (2) the John E. Rogers African American Cultural Center to convert the former Northwest-Jones School to a cultural center, and (3) Catholic Charities of Hartford to create affordable housing with supportive services | 1,500,000 | (1,500,000) | 0 |

Table 5: Changes to FY 15 STO Bond Authorizations Enacted in 2013

| § | Authorized Program Areas | For | Auth. for FY 15 | Change | Total Auth. For FY 15 |
|----|--|--|-----------------|--------------|--------------------------------------|
| 94 | Bureau of Engineering and Highway Operations | Environmental compliance, soil and groundwater remediation, hazardous materials abatement, demolition, salt shed construction and renovation, storage tank replacement, and environmental emergency response at or near state-owned properties or related to DOT operations | \$13,990,000 | \$6,700,000 | \$20,690,000 |
| 95 | Bureau of Engineering and Highway Operations | Town-Aid-Road program | 60,000,000 | (60,000,000) | 0 (authorized as GO bonds in § 9(g)) |
| 96 | Bureau of Public Transportation | Bus and rail facilities and equipment, including rights-of-way, other property acquisition, and related projects New: The act expands the authorization's purposes to include signage, traffic lights, and other equipment enabling Flower Street in Hartford to remain open to vehicular traffic for at least 20 hours per day (see § 31) | 143,000,000 | 42,450,000 | 185,450,000 |

§ 31 — HARTFORD-NEW BRITAIN BUSWAY

The act requires the DOT commissioner, in implementing the Hartford-New Britain busway, to ensure that all Hartford streets intersecting with the busway are equipped with sufficient signage, gates, traffic lights, and other equipment in order to (1) keep such streets open to vehicles and pedestrians for at least 20 hours per day and (2) allow trains to safely cross the streets at any time.

§§ 36-39 — CONNECTICUT BIOSCIENCE INNOVATION FUND

The act requires the Bioscience Advisory Committee's 13 members to adhere to the Code of Ethics for public officials. The code includes, among other things, limits on accepting gifts and outside employment and prohibits certain actions if they constitute a conflict of interest.

The committee oversees the Connecticut Bioscience Innovation Fund, which finances projects to improve the health care delivery system, lower health care costs, and create bioscience jobs. CII manages the fund, and under prior law, could use it to cover the administrative costs of providing this service. The act eliminates this authority, requiring CII to absorb these costs with its own funds.

EFFECTIVE DATE: October 1, 2014

§ 46 — PUBLIC WATER SYSTEM IMPROVEMENT PROGRAM

The act establishes a new grant program for eligible drinking water projects approved for loans by DPH under the Drinking Water State Revolving Fund (DWSRF) program (see BACKGROUND) and authorizes up to \$50 million in GO bonds in FY 15 for the program. The act allows DPH to award the grants to forgive the principal on DWSRF loans. The grants are limited to (1) 50% of eligible project costs for systems serving up to 10,000 people and (2) 30% of eligible project costs for systems serving more than 10,000 people.

Eligible Projects

The grants are awarded to eligible public water systems for eligible drinking water projects entering into a project funding agreement with DPH on or after July 1, 2014 under the DWSRF program. The act defines "eligible public water systems" as (1) water companies (private or municipal) that serve at least 25 people or 15 year-round service connections and (2) nonprofit noncommunity water systems (i.e., facilities served by their own water supply), excluding public water systems that are public service companies. Under

the act, eligible public water systems that are for-profit companies may not receive additional financial assistance under the grant program. By law, "eligible drinking water projects" are those to plan, design, develop, construct, repair, extend, improve, remodel, alter, rehabilitate, reconstruct, or acquire all or part of a public water system.

Program Guidelines

The act extends to the new grant program the same requirements that apply under existing law to the DWSRF program, including those concerning (1) eligible public water systems and project costs and (2) application, approval, and award procedures. These procedures generally require DPH to award financial assistance to eligible drinking water projects (1) based on a priority list for funding it establishes and maintains and (2) pursuant to a project funding agreement between the state, through the DPH commissioner, and the recipient.

The act specifically requires DPH to comply with the allocation goal for small eligible public water systems in making the grant awards. The goal, established under the federal Safe Drinking Water Act, requires it to allocate at least 15% of available funding to small systems serving up to 10,000 people, but only to the extent that there are a sufficient number of eligible project applications to do so.

The act also requires applicants to submit a fiscal and asset management plan, along with the DWSRF application, when applying for the grants.

§§ 47-49 — CONNECTICUT MANUFACTURING INNOVATION FUND

The act establishes the Connecticut Manufacturing Innovation Fund, administered by DECD, to provide financial assistance to targeted disciplines and industries that are likely to improve or develop commercial products, make businesses more competitive, and create jobs. Businesses, nonprofits, and other organizations may apply for the assistance, which can be in the form of grants, loans, equity, or vouchers and must help develop manufacturing equipment, educate and train workers, or support research, among other things. The fund must give priority to companies and organizations located in certain economic development areas.

The act creates an 11-member Manufacturing Innovation Advisory Board to, among other things, (1) create an application and approval process for financial assistance and (2) approve fund expenditures, budgets, and reports.

The act capitalizes the fund by authorizing up to \$30 million in state GO bonds for it (see § 9(e)).

EFFECTIVE DATE: Upon passage

Fund Assets

The act establishes the fund as dedicated, nonlapsing, and separate from the General Fund. The fund must contain (1) money the law requires or permits to be deposited in it; (2) repayments of vouchers from the fund (see below); (3) private contributions, donations, gifts, grants, bequests, or devises received; and (4) any local, state, or federal funds received. The treasurer must invest the money held by the fund, and not obligated for financial assistance, as she sees fit, including in banks, investment funds, and state and federal bonds, among other investments. Investment earnings on the fund's assets become part of the fund.

Use of Fund

Any money held in the fund must be used to provide financial assistance to approved eligible recipients or reimburse DECD for its administrative costs.

Under the act, an "eligible recipient" for financial assistance is (1) an aerospace, medical device, or other company or nonprofit organization specializing in or providing technologically advanced commercial products or services; (2) an entity desiring to leverage federal grant funds to support manufacturing advancement; or (3) a state- or federally certified education or training program designed to meet future workforce needs.

The fund's financial assistance can be in the form of grants, credit extensions, loans, loan guarantees, equity investments, or other forms of financing. It must be used for:

1. further developing or modernizing manufacturing equipment,
2. supporting manufacturing advancements,
3. supporting advanced manufacturing research and development,
4. supporting expansion and training by eligible recipients,
5. attracting new manufacturers to the state,
6. supporting education and training programs that help meet future workforce needs,
7. matching or leveraging federal funds to help Connecticut universities and nonprofit organizations increase research efforts, and
8. funding a voucher program for technical assistance (see below).

Financial assistance recipients must use funds for costs related to facilities, necessary furniture, fixtures and equipment, tooling development and manufacture, materials and supplies, proof of concept or relevance, research and development, compensation, apprenticeships, or other costs that the advisory board deems eligible.

Voucher Program. The act allows the advisory board to establish a voucher program to help recipients access technical experts at universities, nonprofits, and other organizations that can provide specialized expertise to help solve engineering, marketing, and other challenges. DECD may adopt regulations to implement the program.

Targeted Disciplines and Priority Consideration. Any financial assistance awarded from the fund must target the aerospace, medical device, composite materials, digital manufacturing, and other technologically advanced commercial products and services' supply chains and related disciplines. These supply chains and related disciplines must also (1) be likely to improve or develop commercial products that advance the state of technology and the recipient's competitive position and (2) promise to directly or indirectly grow jobs in the state in related fields.

DECD, in consultation with the advisory board, must give priority to proposals from any company that is located in or plans to relocate to (1) a distressed municipality, (2) a targeted investment community, (3) a public investment community, (4) an enterprise zone, or (5) a manufacturing innovation district. The act allows DECD to establish, in consultation with the advisory board, "manufacturing innovation districts" in order to promote the department's economic development priorities. It does not specify the number or size of districts that may be established, nor does it provide criteria for selecting them.

Manufacturing Innovation Advisory Board

Composition. The act creates an 11-member advisory board to oversee the fund. The board consists of 10 appointed members and the DECD commissioner, or her designee, as chairperson. The governor must appoint four members, and the six legislative leaders must each appoint one. Each board member serves a term coterminous with his or her appointing authority and holds his or her position on the board until a successor is appointed. Any vacancy that occurs, other than by the expiration of a term, must be filled in the same way as the original appointment for the remainder of the term. All initial appointments to the advisory board must be made by July 1, 2014.

Qualifications. Each appointee must:

1. have skill, knowledge, and experience in industries and science related to aerospace, medical devices, digital manufacturing, digital communication, or advanced manufacturing;
2. be a university faculty member, or hold a graduate degree, in a related discipline;
3. have manufacturing education and training expertise; or

4. represent manufacturing-related business or professional organizations.

Meetings. The chairperson must call the first meeting by September 30, 2014 and future meetings as he or she deems necessary. A majority of members constitutes a quorum for exercising the board's powers, and the board may act by majority vote at any meeting at which a quorum is present.

Compensation and Conflicts of Interest. The act prohibits paying advisory board members for their service but allows reimbursement for actual and necessary expenses incurred in performing their duties. The act specifies that, regardless of law, it is not a conflict of interest for a trustee, director, partner, officer, manager, shareholder, proprietor, counsel, or employee of an eligible recipient, or an individual with a financial interest in an eligible recipient, to serve as a member of the advisory board, provided he or she abstains from acting, deliberating, or voting on any matter concerning the eligible recipient.

Application and Approval Process. The act requires the advisory board to establish an application and approval process with guidelines and terms for financial assistance awarded from the fund. These guidelines and terms must:

1. require any applicant for financial assistance to operate, in whole or in part, in the state or propose to relocate to the state in whole or in part;
2. limit the amount of financial assistance that can be awarded in the form of loans or grants;
3. include eligibility requirements for loans and grants, including a requirement to match state funds with funds from nonstate sources;
4. create a preliminary review process to be carried out by DECD before presenting proposals to the board;
5. include return on investment objectives, such as job growth and leveraged investment opportunities; and
6. include any other guidelines the advisory board determines to be necessary and appropriate.

Fund Expenditures. With one exception, the act requires the advisory board to approve all of the fund's expenditures. The act appears to exempt expenditures made to DECD to cover its administrative costs, but it contains an incorrect statutory reference regarding those reimbursements.

It requires the board to approve expenditures for: (1) specific purposes; (2) budgeted amounts, with variations the board authorizes when it approves the budget; and (3) financial assistance to eligible recipients, subject to any limits, eligibility requirements, or conditions the board may impose. However, it may delegate to DECD staff the authority to approve transactions of up to \$100,000.

DECD's Fund Administration Duties

The act requires DECD to provide necessary staff, space, office systems, and administrative support to operate the fund. In administering the fund, it may exercise all of its statutory powers, so long as fund expenditures are properly approved, as described above.

Beginning July 1, 2015, DECD must prepare, for each fiscal year, an annual operating plan and operating and capital budget for the fund. It must submit these documents to the advisory board for review and approval at least 90 days before the start of each fiscal year.

Under the act, the fund must pay for or reimburse DECD's administrative costs. These costs include peer reviews, professional fees, allocated staff costs, and other out-of-pocket costs DECD attributes to operating and administering the fund. The act limits the total reimbursement for these costs to 5% of the fund's total annual allotment, as specified in the operating budget.

Reporting Requirement

The act requires DECD to submit a report on the fund's activities annually, beginning January 1, 2016, to the advisory board for approval. After approving the report, the advisory board must submit it to the Commerce Committee. The report must contain information on the status and progress of the fund's operations and funding, financial assistance awarded, and any returns on investment (e.g., principal or interest payments and returns on equity investments).

§§ 50-57 — CONNECTICUT STATE COLLEGES AND UNIVERSITIES (CSCU) 2020 PROGRAM

CSCU 2020

The act authorizes \$103.5 million in new bonding under the CSCU 2020 program. It adds new projects; replaces others; and adds, decreases, or cancels existing authorizations, as shown in Table 6. The table also indicates to which phase of the program the changes apply: Phase I (FY 09-FY 11), Phase II (FY 12-FY 14), and Phase III (FY 15-FY 18; extended by the act to FY 19). The act makes no net changes to phases I and II; it increases Phase III authorizations by \$103.5 million.

Table 6: CSU 2020 Project Authorizations

| <i>Project</i> | <i>Phase</i> | <i>Prior Authorization</i> | <i>New Authorization</i> | <i>Change</i> |
|---|--------------|----------------------------|--------------------------|----------------------|
| Central | | | | |
| Code Compliance/Infrastructure Improvements | I | \$18,146,445 | \$16,418,636 | (\$1,727,809) |
| | II | 6,704,000 | 6,894,000 | 190,000 |
| | III | 5,000,000 | 0 | (5,000,000) |
| New Classroom Office Building | I | 33,978,000 | 29,478,000 | (4,500,000) |
| East Campus Infrastructure Development (replaced by act with Renovate Barnard Hall) | I | 13,244,000 | 3,680,000 | (9,564,000) |
| | III | 0 | 18,320,000 | 18,320,000 |
| Burritt Library Expansion (design/construction)(replaced by act with New Engineering Building(design/construction and equipment)) | I | 0 | 9,900,000 | 9,900,000 |
| | III | 96,262,000 | 52,800,000 | (43,462,000) |
| Burritt Library Renovation (design)(expanded by act to include addition and equipment) | III | 11,387,000 | 16,500,000 | 5,113,000 |
| Renovate Kaiser Hall and Annex (new) | I | 0 | 6,491,809 | 6,491,809 |
| | II | 0 | 210,000 | 210,000 |
| | III | 0 | 18,684,000 | 18,684,000 |
| Eastern | | | | |
| Code Compliance/ Infrastructure Improvements | I | 8,255,113 | 8,938,849 | 683,736 |
| | III | 5,000,000 | 0 | (5,000,000) |
| Outdoor Track-Phase II | I | 1,816,000 | 1,506,396 | (309,604) |
| New Warehouse | I | 2,269,000 | 1,894,868 | (374,132) |
| Southern | | | | |
| Code Compliance/ Infrastructure Improvements | III | 5,000,000 | 0 | (5,000,000) |
| Western | | | | |
| Code Compliance/ Infrastructure Improvements | III | 7,212,000 | 0 | (7,212,000) |
| Board of Regents (BOR) (formerly CSUS System Office) | | | | |
| New and Replacement Equipment (act adds Smart Classroom Technology and Technology Upgrades) | III | 31,844,000 | 61,844,000 | 30,000,000 |
| Land and Property Acquisition | I | 4,250,190 | 3,650,190 | (600,000) |
| | II | 3,000,000 | 2,600,000 | (400,000) |
| Deferred Maintenance/Code Compliance Infrastructure Improvements | III | 0 | 48,557,000 | 48,557,000 |
| Strategic Master Plan of Academic Programs (new) | III | 0 | 3,000,000 | 3,000,000 |
| Consolidation and Upgrade of Student System and Financial Information Technology Systems (new) | III | 0 | 20,000,000 | 20,000,000 |
| Advanced Manufacturing Center at Asnuntuck Community College (new) | III | 0 | 25,500,000 | 25,500,000 |
| TOTAL CHANGE | | | | \$103,500,000 |

The act reduces authorizations for the four state universities by an aggregate total of \$22.557 million and increases BOR authorizations by \$126.057 million, as shown in Table 7.

Table 7: Authorization Changes

| Entity | Net Change |
|-----------------------------------|---------------|
| Central | (\$5,345,000) |
| Eastern | (5,000,000) |
| Southern | (5,000,000) |
| Western | (7,212,000) |
| BOR (formerly CSUS System Office) | 126,057,000 |
| Total | \$103,500,000 |

Annual Bond Limits

To conform to the increased bond authorizations, the act (1) adjusts the annual bond limits for the CSCU 2020 program in FYs 15 and 16, (2) cancels the FY 10 authorization, and (3) extends the program to FY 19 (see Table 8). The FY 10 change is attributable to that year's allocation being disapproved by the governor in 2009.

Table 8: Annual Bond Limits

| FY | Prior Limit (Millions) | New Limit (Millions) | Change (Millions) |
|------|------------------------|----------------------|-------------------|
| 2009 | \$95.0 | \$95.0 | - |
| 2010 | 95.0 | 0 | (95.0) |
| 2011 | 95.0 | 95.0 | - |
| 2012 | 95.0 | 95.0 | - |
| 2013 | 95.0 | 95.0 | - |
| 2014 | 95.0 | 95.0 | - |
| 2015 | 95.0 | 175.0 | 80.0 |
| 2016 | 95.0 | 118.5 | 23.5 |
| 2017 | 95.0 | 95.0 | - |
| 2018 | 95.0 | 95.0 | - |
| 2019 | - | 95.0 | 95.0 |

Under prior law, any difference between the amount actually issued in any year and the cap could be carried forward to the next succeeding fiscal year. The act allows funds to be carried forward to any subsequent fiscal year but specifies that they cannot be carried forward past FY 19. As under existing law, financing transaction costs can be added to the caps.

By law, BOR must annually, by March 1, submit to the governor, state treasurer, and OPM secretary the amount of bonds required for the program for the ensuing fiscal year. The governor has 30 days to approve or disapprove the amount in whole or in part; if he does not act within 30 days of the submission, the whole amount is deemed approved. The act allows BOR, in the event the legislature increases a bond limit that was already approved by the governor, to submit an addendum for the amount of the increased authorization. It must do so within 30 days of the act's effective date (June 21, 2014 for the increased FY 15 bond limit under the act). The governor has 30 days from BOR's submission of the addendum to approve or disapprove it in the manner described above.

Project Revisions

Under prior law, the following types of revisions in the CSCU 2020 plan required both formal approval by BOR and passage of a public or special act: (1) the addition or deletion of a project or (2) an increase or decrease in the original project cost by 10% or more for projects estimated to cost \$1 million or less, or 5% or more for projects estimated to cost more than \$1 million, unless the change in cost was due solely to changes in material costs. The act eliminates the requirement for a public or special act for revisions that are due to reallocating unspent funds from a completed project.

The act also renames the board's biennial facilities plan as the facilities and academic plans.

Reporting Requirements

By law, BOR must report, biannually to the governor and legislature, specified information on projects under the program (e.g., costs and timeliness). The act additionally requires the board, biannually beginning July 1, 2015, to report to the Finance and Higher Education committees on how it allocated proceeds for each BOR project among each state university and community-technical college.

CSCU 2020 Projects

Under prior law, a program project included, among other things, improvements, reconstruction, replacements, additions, and equipment acquired in connection with any facilities existing on July 1, 2008. The act eliminates the requirement for these facilities to have been in existence on July 1, 2008. It also eliminates a requirement that BOR receive approval from the administrative services commissioner before acquiring or purchasing equipment, furniture, or personal property using funds from bond proceeds.

§§ 58 & 59 — BONDS FOR LAND PRESERVATION

The act authorizes up to \$2 million in GO bonds for FY 14 and requires DEEP to use the proceeds to purchase and preserve specified properties in Old Saybrook and Westbrook. The properties, commonly referred to as the Preserve, consist of approximately (1) 924 acres in Old Saybrook and (2) four acres in Westbrook. Bond proceeds used for maintaining the land must be deposited in DEEP's Recreation and Natural Heritage Trust Program's stewardship account.

The act allows the DEEP commissioner to enter into contracts with the Trust for Public Land and town of Westbrook to purchase the Old Saybrook and Westbrook properties, respectively. The contracts must include terms and conditions the DEEP commissioner

approves to preserve the properties as open space. These terms and conditions may include joint ownership and management by the state as a tenant in common with Old Saybrook, as long as they provide for filing on the land records of deeds, restrictions, easements, or agreements (“documents”) requiring the land to be preserved in perpetuity in its natural and open space condition to protect natural resources. Any party to the contract may file the documents on the land records. The documents may be in favor of a nonprofit conservation organization the DEEP commissioner approves.

Under the act, the documents cannot allow recreational uses requiring intensive development (such as golf courses, tennis courts, ball fields, and other recreational uses ineligible for funding under DEEP’s Open Space and Watershed Land Acquisition Grant Program), but must allow the (1) public to use the land for permitted recreational uses (e.g., pedestrian trails or pathways) and (2) installation of permanent fixtures consistent with permitted uses. It must allow only those improvements and activities necessary for land and natural resource management.

The act also makes a conforming technical change.
EFFECTIVE DATE: Upon passage

§§ 73 & 74 — SCHOOL SECURITY INFRASTRUCTURE GRANT PROGRAM

The state’s competitive school security grant program reimburses towns for certain expenses they incur in improving their school security infrastructure. DESPP, DAS, and SDE jointly administer the program.

The act expands the program, as described below, and increases its bond authorization by \$22 million, from \$15 million to \$37 million.

EFFECTIVE DATE: Upon passage, except for the bond authorization, which is effective July 1, 2014.

Eligible Schools

The act expands the program to RESCs, state charter schools, technical high schools, endowed academies (i.e., Gilbert School, Norwich Free Academy, and Woodstock Academy), and private schools.

By law, local or regional boards of education can apply to DESPP for funds on behalf of their town or member towns for costs for eligible security improvements incurred on or after January 1, 2013. Decisions to approve or deny applications, and which expenses are eligible for reimbursement, must meet the most recent standards established by the School Safety Infrastructure Council. Beginning in FY 15, the act extends these provisions to the aforementioned schools and requires the RESC, charter school’s governing

authority, technical high school’s superintendent, endowed academy, or nonpublic school’s supervisory agent, respectively, to apply for the funds.

Eligible Infrastructure

The act expands the security infrastructure eligible for reimbursement to include real time interoperable communications and multimedia sharing infrastructure. Under existing law, eligible infrastructure also includes the installation of surveillance cameras, penetration resistant vestibules, ballistic glass, solid core doors, double-door access, computer-controlled electronic locks, entry door buzzer systems, scan card systems, panic alarms, and other systems.

Grant Amount and Set-Aside

By law, the grants reimburse school districts for 20% to 80% of the eligible expenses for security measures, based on a scale of town wealth. In addition, under the act:

1. RESCs receive grants according to the same scale, based on the weighted average of the wealth of their member towns;
2. state charter schools receive the same reimbursement percentage their host towns receive;
3. SDE, on behalf of technical high schools, receives grants for 100% of the schools’ eligible expenses;
4. endowed academies receive grants according to the same scale as school districts, based on the weighted average of their designating towns’ populations (the towns must designate the school as their high school for at least five years in order to be included in the calculation); and
5. private schools receive grants for 50% of their eligible expenses.

The act sets aside 10% of the grant funds available for FY 15 for private schools.

Grant Priority

If there is not enough money to reimburse every district for its full percentage, existing law requires the DESPP commissioner, in consultation with the DAS and SDE commissioners, to give first priority to applicants with schools they determine have the greatest need for security infrastructure based on the school security assessments the districts submit. Of the applicants with the greatest security infrastructure need, the commissioners must give first priority to applicants that have no security infrastructure at the time of the assessment and secondary priority to applicants from priority school districts.

The act extends these same requirements to RESCs, state charter schools, endowed academies, technical high schools, and private schools, except that it does not require the determination of private schools' infrastructure needs to be based on the school security assessments.

As under existing law, to receive a grant, an applicant must show that it (1) has conducted a uniform security assessment of its schools and any security infrastructure, (2) has an emergency plan at its schools developed with applicable state and local first responders, and (3) periodically practices the plan. The security assessment must be carried out under the supervision of the district's local law enforcement agency and use the Safe Schools Facilities Check List published by the National Clearinghouse for Educational Facilities.

BACKGROUND

New Markets Tax Credits

The New Markets tax credit program uses federal income tax credits to attract private capital for business projects in low-income areas. Investors seeking credits must access them through federally certified for-profit CDEs. The credits equal 39% of the invested amount, and investors must claim them over seven years according to a statutory schedule.

CDEs must lend to or invest the funds in business projects or use them for other specified activities. Business projects include mixed residential and commercial real estate developments where the housing units generate no more than 80% of the project's income.

CDEs

CDEs are certified by the U.S. Treasury Department through a competitive application process. A CDE must (1) primarily serve low-income people or provide capital to areas where they live and (2) answer to a board of directors that includes people who live in those areas. Investors can access the New Markets tax credits only by acquiring stock or capital interest in the CDE. The CDE must invest most of the investment proceeds in projects or activities located in low-income communities. For purposes of the credit, federal law defines a low-income area as one where at least 20% of the residents are below the poverty level or earn no more than 80% of the area's median income (26 USC § 45D).

DWSRF Program

The DWSRF program provides low-interest loans to eligible public water systems undertaking

infrastructure improvement projects, including upgrading or renovating their existing water systems. Projects may receive funding during the planning, design, or construction phase. DPH reviews and ranks eligible projects, based on criteria established by DPH and approved by the federal Environmental Protection Agency, on its project priority list for each fiscal year.

PA 14-155—sHB 5466

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' STATUTES AND PROCEDURES, INCLUDING BACKGROUND CHECKS FOR EMPLOYEES, THE MASTER SETTLEMENT AGREEMENT, THE MOTOR VEHICLE FUELS TAX, THE ESTATE TAX, ADDITIONS AND CHANGES TO VARIOUS PUBLIC LISTS MAINTAINED BY THE DEPARTMENT, THE PAYMENT SCHEDULE FOR THE SALES AND USE TAX, A DATA MATCH SYSTEM WITH FINANCIAL INSTITUTIONS, THE PERSONAL INCOME TAX AND TECHNICAL CORRECTIONS

SUMMARY: This act makes numerous changes in the tax and tobacco settlement statutes. Among other things, it:

1. requires prospective Department of Revenue Services (DRS) employees to (a) disclose any criminal convictions and pending charges, (b) be fingerprinted, and (c) submit to state and national criminal history record checks under Connecticut's uniform criminal record check procedure;
2. requires the DRS commissioner to annually issue information about how he calculates the motor vehicle fuels tax on gaseous fuels;
3. makes numerous changes in the state's tobacco settlement law to implement the Nonparticipating Manufacturer (NPM) Adjustment Settlement Agreement (i.e., the May 24, 2013 settlement between the state and certain tobacco product manufacturers);
4. modifies the starting point for calculating the estate tax for those who die on or after January 1, 2015 and gives these estates a tax credit for certain gift taxes paid;
5. authorizes the DRS commissioner to publicly list the people for whom he denied, revoked, or suspended a license, permit, or certificate;
6. requires him to state on the publicly available delinquent taxpayers list why he intends to remove a name from the list;
7. moves up the deadline for remitting monthly

sales taxes and filing sales tax returns from the last to the 20th day of the month following the monthly return period and authorizes the commissioner to require weekly sales tax returns from retailers that are delinquent in remitting the tax;

8. requires the commissioner to exchange information about delinquent taxpayers with financial institutions;
9. requires trusts and estates, when calculating their Connecticut income tax, to add certain lump sum distributions to their Connecticut fiduciary adjustment;
10. subjects to Connecticut's personal income tax the income nonresidents receive from (a) nonqualified deferred compensation plans attributable to service performed in Connecticut and (b) the sale or transfer of shares in a business that owns real property in Connecticut; and
11. modifies how nonresidents' business income must be apportioned to Connecticut.

EFFECTIVE DATE: Upon passage unless noted otherwise.

§ 1 — BACKGROUND CHECKS FOR PROSPECTIVE DRS EMPLOYEES

The act requires prospective DRS employees to (1) disclose any criminal convictions and pending charges, (2) allow themselves to be fingerprinted, and (3) submit to state and national criminal history record checks under Connecticut's uniform criminal record check procedure. These requirements apply to (1) people applying for employment with DRS and (2) state employees seeking to transfer to DRS. DRS must enforce the requirements consistent with the law prohibiting employers from requiring prospective employees to disclose information in certain erased criminal records (see BACKGROUND).

Under the act, prospective DRS employees must disclose their criminal conviction and pending charges in writing, indicating if (1) they have ever been convicted of a crime or (2) charges are pending against them on the date they apply for a DRS position. If charges are pending, the applicant must identify them and the court in which they are pending.

§ 2 — MOTOR FUELS TAX ON GASEOUS FUELS

Beginning June 15, 2014, the act requires the DRS commissioner, in consultation with the energy and environmental protection commissioner, to issue annually information about how he calculates the motor vehicle fuels tax on gaseous fuel (e.g., propane or natural gas). The information must include the

conversion factor used to determine the liquid gallon equivalent of such fuel. The factor must be consistent with applicable federal standards and be applied to the 12-month period beginning on the following July 1 (see BACKGROUND).

With regard to propane gas, the act requires the commissioner to determine the liquid gallon equivalent only for propane gas used to power a motor vehicle owned by a person who purchases the gas and stores it in a tank or cylinder he or she owns. The commissioner does not have to provide this information for propane gas stored in a leased tank or cylinder.

§§ 3-10 — TOBACCO SETTLEMENT LAW

The act makes numerous changes in Connecticut's tobacco settlement law, under which tobacco product manufacturers must choose between two payment arrangements. They may (1) enter into the master settlement agreement between Connecticut and four leading tobacco companies and comply with its terms and conditions ("participating manufacturers") or (2) pay into a qualified escrow account a specified amount for each cigarette they sell in the state ("nonparticipating manufacturers" (NPM)). The escrowed funds must be used only to pay judgments or settlements brought against an NPM by the state or any other party to the master tobacco settlement agreement located or living here.

The act's changes implement the May 24, 2013 NPM Adjustment Settlement Agreement between the state and participating manufacturers, which modified the tobacco master settlement agreement and, among other things, broadened the state's enforcement responsibilities regarding illegal contraband cigarette sales.

EFFECTIVE DATE: January 1, 2015

§§ 3-5 — Escrow Contribution

Basis and Frequency. By law, NPMs base their escrow payment amounts on the number of cigarettes they sell in Connecticut. The act changes how they must determine that number. Under prior law, NPMs determined it based on the excised taxes the state collected on cigarette packs or tobacco containers (for roll-your-own tobacco). The act instead requires them to base the number on the number of cigarettes they sold subject to the cigarette tax or, for roll-your-own tobacco, the tobacco products tax. By law, NPMs must base the payment on the number of cigarettes sold each year through direct sales and sales through distributors, dealers, or similar intermediaries.

When determining the number of cigarettes sold, the act requires NPMs to exclude cigarettes (1) sold on federal military installations, (2) sold by a Native

American tribe to a tribe member on the tribe's land, and (3) otherwise exempt from state excise tax under federal law.

The act requires DRS to adopt regulations needed to determine the amount of excise tax required to be paid, not just the actual tax paid, by each tobacco product manufacturer.

The act requires NPMs to make more frequent escrow payments. Under prior law, they had to make annual payments equal to a specified amount for each cigarette they sold during the prior year. An NPM had to make quarterly deposits if the DRS commissioner required it to do so under regulations prior law allowed him to adopt to enforce the required escrow deposits. For sales in 2013, the escrow payment was \$.0299790 per cigarette (based on the 2007 amount of \$.0188482, as adjusted for inflation).

Beginning January 1, 2015, NPMs must make quarterly payments equal to the statutorily derived amount for each cigarette they sold during the quarter. They must pay the amount within 30 days after the quarter's end. NPMs must also certify to the attorney general that they are complying with the quarterly payment schedule.

Penalties for Noncompliance. The act makes any person in the United States who imports cigarettes from an NPM located outside the United States jointly and severally liable (see BACKGROUND) with the NPM for making the escrow payments and any penalties imposed for violating the escrow requirements. A person is jointly or severally liable with the NPM under these conditions if:

1. cigarettes manufactured in another country are shipped or consigned to the person,
2. the person removes cigarettes for sale or consumption in the United States from a customs bonded manufacturing warehouse, or
3. the person unlawfully brings cigarettes into the country.

By law, the attorney general may sue NPMs that violate the escrow requirements and, if the court finds a violation, impose civil penalties of up to 5% of the improperly withheld amount for each day of violation, up to 100% of that amount. For a knowing violation, the penalty may be up to 15% of the improperly withheld amount per day, up to 300% of that amount. For a second knowing violation, a violator is barred from selling cigarettes in the state, either directly or indirectly, for up to two years. Each failure to make the required deposit is a separate violation.

§§ 6 & 7 — Certification Requirements

The law requires all manufacturers (participating and nonparticipating) whose cigarettes are directly or indirectly sold in Connecticut to annually certify, by

April 30 and under penalty of false statement, to the DRS commissioner and attorney general that, as of the certification date, they are either participating in the master settlement agreement or complying with escrow requirements for nonparticipating manufacturers.

The act also requires each manufacturer to annually (1) certify that it or its importer holds a valid federal permit for engaging in such business (26 USC § 5713), (2) provide a copy of the permit to the DRS commissioner, and (3) certify that it complies with federal tobacco manufacturer reporting and registration requirements (15 USC § 375 et seq.). It bars manufacturers from including in their certifications any material representation they know is false or inaccurate.

§ 8 — DRS Directory

By law, the DRS commissioner must prepare a directory listing (1) all manufacturers that have provided current and accurate certifications and (2) the "brand families" under each certification. A brand family is a style of cigarette, such as menthols or lights, sold under the same trademark. The commissioner must make the directory available to the public.

The act prohibits the commissioner from listing an NPM's brand families if there are discrepancies between the totals in the NPM's sales reports. Specifically, he cannot list the brand families in the directory if the NPM's total nationwide sales for federally taxable cigarettes exceed the sum of its sales on two federally required monthly sales reports by more than 5% of its total sales or one million cigarettes, whichever is less. The sales reports are the (a) nationwide sales reports it or its importer submitted to DRS and (b) any intrastate sales reports (15 USC § 376 (a)).

The act implicitly requires the commissioner to notify the NPM about the discrepancy. If the NPM fixes or satisfactorily explains the discrepancy within 10 days after receiving the commissioner's notice, the commissioner must retain the brand families in the directory.

§ 9 — Agent for Service of Process Requirements

Under the act, NPMs located outside of the United States must have an agent for service of process in Connecticut before the commissioner can list the persons importing their brand families in the directory. Specifically, these NPMs must (1) require each brand family importer to appoint and maintain a Connecticut agent for service of process and (2) notify the DRS commissioner and attorney general of the agent the same way domestic NPMs must notify them about their agents. If a foreign NPM does not comply with this requirement, the act makes the secretary of the state the

agent for its importers. Proceedings against these importers may be brought by serving process on the secretary, but the secretary's appointment does not satisfy the agent appointment requirements for having the NPM's brand families listed in the DRS directory.

§§ 7 & 9 — Surety Bond

To have its brand families listed in the DRS directory, the act requires NPMs to file a surety bond with the DRS commissioner. The amount of the bond must be the greater of (1) \$25,000 or (2) the greatest amount of total escrow payments owed in any of the five calendar years before the bond's filing. The bond must be (1) in a form the attorney general approves and (2) issued by a bonding or insurance company authorized to do business in Connecticut. NPMs must include proof that they have posted the bond in their annual certification to the DRS commissioner and attorney general.

The commissioner may execute on a bond to recover delinquent escrow payments and civil penalties and costs if the NPM failed to (1) make its required quarterly escrow payment within 15 days following the due date or (2) have another party make the payment on its behalf before that deadline. He must deposit any delinquent escrow funds he recovers into a qualified escrow fund or a reasonable alternative account he determines. Any escrow amounts above the amount recovered on the bond remain due from the NPM and its importers.

§ 10 — Information Sharing

The act sets conditions under which the DRS commissioner and the attorney general may disclose tax returns or return information (see BACKGROUND). The commissioner may disclose the information to the attorney general if it is relevant to the state's implementation of the Master Settlement Agreement or the NPM Adjustment Settlement Agreement. The attorney general may further disclose this information to two parties. He may disclose it to an entity designated to serve as a data clearinghouse under the NPM Adjustment Settlement Agreement. The disclosure must be done under a separate agreement between the commissioner and the entity. The attorney general may also disclose a licensed cigarette or tobacco products distributor's tax information to an NPM that makes escrow fund contributions, as long as the information relates only to the NPM's Connecticut sales.

The act also broadens the purposes for which the commissioner and attorney general may share information they receive under the state's tobacco settlement law with other federal, state, and local agencies to include any law enforcement purpose, not

just those related to Connecticut's or other states' tobacco settlement laws.

§ 10 — Reporting Requirements

Monthly Sales Reports. The act requires each manufacturer and importer to file a monthly sales report with the DRS commissioner, certifying that it is complete and accurate. The report, which manufacturers and importers must file within 15 days following the end of the month, must include the (1) total number of cigarettes they sold in the state that month, identified by name and number, including those sold through an affiliate; (2) cigarette manufacturer and brand family; and (3) cigarette purchasers. Manufacturers and importers satisfy this monthly reporting requirement by submitting federally required monthly sales reports to the commissioner and certifying that they are complete and accurate.

Federal Excise Tax Returns. The act requires each manufacturer and importer to submit federal excise tax returns to the DRS commissioner and gives them a choice on how they may do so. They may (1) submit their federal excise tax returns and monthly operational reports within 30 days after filing them with the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) or (2) request specific federal agencies to disclose their returns to the commissioner. They may do the latter by submitting a valid U.S. Treasury request or consent authorizing TTB or, in the case of a foreign manufacturer or importer, the U.S. Customs and Border Protection, to disclose the returns to the commissioner.

Additional Reporting Requirements. The act requires manufacturers and importers to disclose to the commissioner or attorney general, upon request, copies of all federally required sales reports they filed in other states.

It also allows the attorney general to require NPMs, importers, and stampers to produce information to allow him to determine whether a quarterly escrow deposit is adequate.

§§ 11 & 12 — ESTATE TAX CHANGES

Connecticut Taxable Estate and Gift Taxes Paid on Certain Taxable Gifts

The act changes how taxpayers must calculate the estate tax for those who die on or after January 1, 2015. As under prior law, a taxpayer begins with the gross estate, subtracts federally allowable deductions, and adds the total value of all taxable gifts the decedent made on or after January 1, 2005. In calculating the total value of taxable gifts under the act, though, the taxpayer must:

1. exclude any taxable gifts that must be included in the decedent's gross estate for federal tax purposes and
2. include the amount of any Connecticut gift tax the decedent or his or her estate paid during the three years preceding the decedent's death for gifts the decedent or his or her spouse made.

As under prior law, the taxpayer must disregard the federal deduction for state death taxes.

The act also gives such estates a tax credit for any gift taxes the decedent's spouse paid for Connecticut taxable gifts made by the decedent on or after January 1, 2005 that are includible in the decedent's gross estate. This credit is in addition to the existing credit for any Connecticut gift taxes paid on gifts made on or after January 1, 2005. Prior law capped that credit at the estate tax due. The act similarly caps the total credit at the tax due.

Estate Tax Changes in PA 13-247

PA 13-247 (§ 120) (1) conformed the law to DRS practice by modifying how estate taxes are calculated for Connecticut residents who have estate property in other states and (2) provided, for both resident and nonresident estates, that the state is permitted to calculate and levy the tax to the fullest extent permitted by the U. S. Constitution.

Under existing law, these provisions apply to deaths on or after January 1, 2013, and became effective on June 19, 2013. The act states that the General Assembly intends these modifications to be clarifying in nature and applicable to all estates that were open on January 1, 2013, including those involving deaths that occurred before that date but for which the taxes are still being determined.

§ 13 — DRS TAXPAYER LIST

Listing Actions Regarding Licenses, Permits, and Certificates

The act allows the DRS commissioner to create a public list of specific enforcement actions he took regarding licenses, permits, or certificates. He may list each person whose (1) application for these documents was denied or (2) license was suspended, revoked, or not renewed. The commissioner must arrange any list he publishes by the type of tax and may, at his discretion, add the date he took the actions and the reasons for taking them.

Including Reasons for Removing a Taxpayer's Name from the Delinquent Taxpayer List

By law, the DRS commissioner must maintain a publicly available list of delinquent taxpayers. Before

removing a name from the list, he must, under the act, state the reasons for doing so, specifying whether the delinquency was (1) resolved by negotiated settlement, (2) paid in full, or (3) designated as uncollectable.

EFFECTIVE DATE: July 1, 2014

§§ 14 & 19 — SALES TAX

Remittance Deadline

The act moves up the deadline for remitting monthly sales and use taxes and filing sales tax returns from the last day to the 20th day of the month following the month covered by the return.

Weekly Remittance for Delinquent Parties

The law allows the commissioner to require retailers to remit sales taxes for other than monthly or quarterly periods. The act explicitly allows him to require retailers that fail to remit the tax on time to file returns and remit the tax weekly, by the Wednesday following the end of the previous weekly period. The commissioner must notify affected retailers in writing, specifying how they must remit the tax. He must require weekly remittance for one year, starting on the notice's date. If a weekly period straddles two months, retailers must still remit the tax for the previous weekly period. The commissioner cannot extend the weekly remittance deadline as he may for retailers remitting the tax on a monthly or quarterly basis.

In addition, retailers required to remit the tax on a weekly basis must continue to file the required monthly or quarterly returns and remain liable for penalties if they fail to do so, including having their sales tax permits revoked. The commissioner cannot extend the deadline for retailers required to remit the tax.

EFFECTIVE DATE: October 1, 2014

§§ 15 & 20 — IDENTIFYING DELINQUENT TAXPAYER ASSETS

The act requires the DRS commissioner to contract with financial institutions doing business in Connecticut to exchange information about taxpayers who owe state taxes. Such institutions include banks, credit unions, benefit associations, insurance companies, safe deposit companies, money market mutual funds, and other similar entities authorized to do business here.

Under the contract, the commissioner must provide these institutions (1) each delinquent taxpayer's name, Social Security number, or other taxpayer identification numbers and (2) the amount of taxes due and payable for which every administrative or judicial remedy has been exhausted. Within 90 days after receiving this list, the financial institution must provide the commissioner with a list of its account holders appearing on the

commissioner's list, along with the account holder's Social Security number or taxpayer identification number and a statement about whether their account balance exceeds \$1,000.

The act waives the existing statutory restrictions against releasing taxpayer information when the commissioner exchanges the information with a financial institution. It also relieves contracting institutions from liability to anyone for disclosing customer information to the commissioner or for any other good faith actions taken to comply with the act.

§ 16 — CONNECTICUT FIDUCIARY ADJUSTMENT

When a trust or estate taxpayer determines its Connecticut adjusted gross income for state income tax purposes, the act requires it to add any lump sum distributions it receives during the tax year that are not included in the trust's or estate's federal taxable income before deducting distributions made to the beneficiaries. EFFECTIVE DATE: Upon passage and applicable to taxable years beginning on or after January 1, 2014.

§§ 17 & 18 — NONRESIDENT INCOME DERIVED FROM CONNECTICUT SOURCES

Nonqualified Deferred Compensation Plans

The act subjects to the state income tax the income nonresidents receive from nonqualified deferred compensation plans performing services in Connecticut, including income subject to federal income taxes. Under these plans, an employee allows an employer to defer a portion of his or her wages until a specified future date, thus delaying the employee's tax liability until the employer pays the deferred amount.

Sale or Disposition of Property Interest in an Entity

The act requires nonresidents to pay Connecticut income tax on gains or losses from the sale or disposition of an interest in an entity (i.e., partnership, limited liability company, or S corporation) that owns certain real property in Connecticut.

Under the act, all or a portion of the gain or loss from a nonresident taxpayer's sale or disposition of an interest in the entity is considered taxable in Connecticut if the entity owns real property in the state valued at 50% or more of the fair market value of the entity's total assets in the preceding two years. The Connecticut gain or loss from the transaction is the total federal gain or loss multiplied by the ratio of the fair market value of the entity's Connecticut real property to that of its total assets, as of the transaction date.

EFFECTIVE DATE: Upon passage and applicable to taxable years beginning on or after January 1, 2014.

Apportioning Nonresident Business Income

The act makes a change to the method nonresidents must use to determine how certain sales are sourced to Connecticut when calculating Connecticut income taxes.

By law, a business entity conducting business partly in and partly outside Connecticut must apportion its gains and losses derived or connected with Connecticut to the state. Its proportion of net income, gain, loss, and deduction sourced to Connecticut equals its average percentage of property, payroll, and gross income in the state.

The entity calculates its gross income by dividing its gross Connecticut sales by its total sales. Under prior law, property and service sales were sourced to Connecticut if they were negotiated or performed by an employee, agent, agency, or independent contractor chiefly situated at, contracted with, or sent from the business' Connecticut offices or branches (Conn. Agencies Regs. § 12-711(c)-4). The act instead sources property sales to Connecticut if the property is delivered or shipped to a purchaser in the state, regardless of the FOB point (i.e., point at which title for the goods transfers to the buyer) or other conditions of the sale. EFFECTIVE DATE: Upon passage and applicable to taxable years beginning on or after January 1, 2014.

BACKGROUND

Nondisclosure of Information Contained in Erased Criminal Records

The law prohibits all employers, including the state and its political subdivisions, from requiring prospective and current employees to disclose records of erased arrests, criminal charges, or convictions (CGS § 31-51i). It similarly prohibits employers from denying employment or discharging an employee solely because of information contained in such records. The records that the law covers relate to delinquency; family with service needs or youth offender status; criminal charges that have been dismissed, nolle, or resulted in not guilty findings; and absolute pardons.

Employment application forms requesting criminal history data must contain a statement informing applicants that (1) they are not required to disclose criminal history data subject to erasure, (2) the erasure of this data deems they were never arrested for the associated crime, and (3) they can swear under oath that they were never arrested for those crimes.

Federal Standards on Natural Gas Conversion Factors

The National Institute of Standards and Technology's *Uniform Laws and Regulations in Areas of Legal Metrology and Engine Fuel Quality Handbook*

130 (2013) specify that a gallon of gasoline is equivalent to 2.567 kg (5.660 lbs.) of natural gas.

Joint and Several Liability

Joint and several liability is a form of liability used in civil cases where two or more people are found liable for damages. The winning plaintiff in such a case may collect the entire judgment from any one of the parties, or from any and all of the parties in various amounts until the judgment is paid in full. In other words, if any of the defendants do not have enough money or assets to pay an equal share of the award, the other defendants must make up the difference.

Tax Returns and Return Information

By law, a “return” is any of the following filed with the DRS commissioner by, on behalf of, or with respect to, anyone: (1) a tax or information return; (2) an estimated tax declaration; (3) a refund claim; or (4) any license, permit, registration, or other application. The term also covers amendments or supplements, including supporting schedules, attachments, or lists that supplement or are part of a filed return.

“Return information” includes:

1. a taxpayer’s identity;
2. the nature, source, or amount of the taxpayer’s income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax collected or withheld, tax under- or over-reportings, or tax payments; and
3. any other data received, recorded, prepared, or collected by or furnished to the DRS commissioner regarding a return or regarding any determination of liability for a tax, penalty, interest, fine, forfeiture, or other imposition or offense (CGS § 12-15 (h)(1) & (2)).

PA 14-174—sSB 447

*Finance, Revenue and Bonding Committee
Planning and Development Committee*

AN ACT CONCERNING A PROGRAM TO PROVIDE PROPERTY TAX RELIEF FOR BUSINESSES, A HOMEOWNERSHIP INCENTIVE PROGRAM, ADJUSTMENTS TO A PROPERTY TAX SYSTEM AND A MUNICIPAL OPTION FOR ASSESSMENT OF PROPERTY USED FOR WHOLESALE AND RETAIL BUSINESS

SUMMARY: This act authorizes several tax relief measures for homeowners and businesses in specific

areas. It requires municipal property tax abatements and state income tax exemptions to boost the homeownership rate in two Hartford census blocks until it reaches specified levels.

The act establishes an Office of Policy and Management (OPM)-administered pilot program under which municipalities may offer commercial business property owners the option of paying property taxes based on the net profits of the businesses occupying the property instead of the property’s fair market value. Participating municipalities may tax a property on this basis if the property owner and the business occupant agree.

The act allows Hartford to provide property tax relief to residents who own and reside in their homes by keeping the assessment ratio for their homes lower than the ratio for nonowner-occupied residences.

The act changes how the Hartford assessor must measure the change in the city’s total tax levy between the current and prior fiscal year when adjusting the assessment ratio for residential property.

Lastly, the act expands municipalities’ options to fix the real and personal property tax assessments on certain retail development projects.

EFFECTIVE DATE: Various, see below.

§ 3 — HOMEOWNERSHIP INCENTIVE PROGRAM

Municipal Participation

The act requires 100% municipal property abatements and state income tax exemptions for residents meeting specified criteria in a municipality that annually adjusts the property tax assessment ratios for residential property. Because Hartford is the only municipality that adjusts these ratios, it is the only municipality where these benefits must be granted.

Designating Homeownership Incentive Areas

The act’s tax benefits are available only in census blocks where relatively few people own and occupy their homes as their primary residence. A block falls in this category if its homeownership rate for one- to three-unit dwellings is 15% or less. (Owner-occupied homes include those that are part of a common interest community (e.g., condominium) with three or fewer units.) After identifying the eligible blocks, Hartford must choose two where the tax benefits will be granted. (The act does not specify the data Hartford must use to determine homeownership rates.)

Tax Benefits

Hartford and the state must provide the tax benefits to certain people who reside in the designated census blocks. Hartford must abate 100% of the property taxes

on owner-occupied homes (residential structures with three or fewer units). The state must exempt from paying income taxes these residents and those renting dwellings in the designated blocks as their primary residence who graduated from a four-year college within two years before signing the lease agreement. Those eligible for the earned income tax credit may continue to claim it. The income tax exemption does not extend to the amounts an employer withholds from a paycheck for state income taxes. The municipality must provide the Department of Revenue Services (DRS) any information it needs to exempt eligible residents from the income tax.

Exemption and Abatement Phase-Out

The exemptions and abatements last until the home ownership rate for one- to three-unit dwellings in a designated census block reaches or exceeds 49%. At that point, the municipality must notify the owners and eligible renters that the abatements and exemptions will be phased out over five years. The phase-out must reduce the value of the abatements and the exemptions by 20% per year until the residents are liable for 100% of the property and income taxes owed. The municipality must provide DRS with any information it needs to phase out the income tax exemption.

EFFECTIVE DATE: July 1, 2015

§§ 1 & 2 — PILOT PROGRAM FOR MUNICIPAL PROFIT-BASED TAX ASSESSMENTS

Purpose

The act establishes an OPM-administered pilot program under which municipalities may tax up to three commercial properties based on the net profits of the businesses occupying or anticipated to occupy the property instead of the property's fair market value, as the law requires. The method used to determine the tax rate for these properties must be agreed to by the municipality, the affected property owner, and the business occupants.

Participating Municipalities

Municipalities can participate in the pilot program by applying to OPM as the OPM secretary requires. The secretary may select up to five municipalities of varying sizes in different regions.

OPM must disseminate information about the program to statewide organizations, including the Connecticut Association of Assessing Officers, the Connecticut Economic Development Association, and the Connecticut Tax Collectors Association. The information must explain how a municipality may apply to participate in the pilot program.

Implementing Profit-Based Tax Assessments

Municipalities participating in the pilot program must adopt ordinances allowing up to three commercial properties to be assessed based on the net profits for the previous calendar year of the businesses that own or occupy each property. For a vacant property, the municipality may base the assessment on profits anticipated by a new business tenant.

An ordinance implementing a profit-based tax assessment method must:

1. describe the properties eligible for this type of assessment,
2. describe how the tax rate for the net profits or anticipated net profits will be determined,
3. require agreement between the municipality and the property's owners and tenants on the assessment method before the municipality institutes it,
4. specify how property owners or tenants may apply for the program,
5. require property owners seeking this assessment method to show how it would benefit the property and the municipality, and
6. provide for a phase-out of the method and a return to an assessment based on fair market value.

Annual Report

Starting January 1, 2015, the OPM secretary must report annually on the pilot's status to the Finance, Revenue and Bonding Committee. The report must describe:

1. OPM's efforts to inform municipalities about the pilot program,
2. the application process,
3. inquiries and applications OPM received regarding the pilot, and
4. legislative recommendations for improving it.

EFFECTIVE DATE: July 1, 2014, and the authorization to establish the pilot program is applicable to assessment years beginning on or after October 1, 2014.

§§ 4 & 5 — PROPERTY TAX ASSESSMENT ADJUSTMENTS FOR OWNER-OCCUPIED RESIDENCES

The law generally requires municipalities to assess all property at 70% of its fair market value (assessment ratio), but requires Hartford to adjust the ratio for two types of dwellings—apartment property (four or more residential units) and residential property (three or fewer units). The ratio determines the amount of a property's fair market value subject to the municipality's tax rate. (Adjusting the ratios for different types of property

affects their share of the overall tax burden.)

The act allows Hartford to divide the residential property category into two groups and assess them at different rates.

Under the act, Hartford may, by ordinance, (1) divide residential property between owner-occupied and nonowner-occupied residential property categories and (2) adjust the assessment ratio for nonowner-occupied property so that it stays above the rate for owner-occupied property. Hartford may begin adjusting residential property assessments in this manner starting on or after October 1, 2016. It may amend the implementing ordinance only during those years it revalues property. (By law, municipalities must revalue property at least once every five years.)

If Hartford chooses to adopt this program, it must determine the annual assessment rate for residential property largely using the statutory method under which it already adjusts the assessment ratios for residential and apartment property to reflect the growth in property taxes over the previous fiscal year. As explained in the next section, the act modifies that method.

EFFECTIVE DATE: October 1, 2014

§ 4 — HARTFORD PROPERTY TAX RATIO ADJUSTMENTS

The act modifies how Hartford’s tax assessor must adjust the assessments for residential property. Under prior law, the assessor calculated an annual adjustment to the city’s residential assessment ratio to reflect the growth in property taxes levied over the previous fiscal year, adjusted for inflation.

The act (1) changes the fiscal year for which the assessor must adjust the tax levy for inflation from the current to the prior one and (2) specifies the source he must use when doing so. Under prior law, he had to use the change in the consumer price index for all urban consumers in the northeast region from the preceding fiscal year. Under the act, he must use the change reported in the year-over-year January index that is generally reported in February.

By law, residential property includes one- to three-unit dwellings. The act conforms the law to practice by including common interest communities, including condominiums, in the definition of residential property.

EFFECTIVE DATE: October 1, 2014

§§ 5 & 6 — FIXING THE TAX ASSESSMENTS ON RETAIL DEVELOPMENT PROJECTS

Real Property

The act expands municipalities’ options for fixing the real property tax assessment on certain retail development projects. By law, municipalities can fix the

assessment for different types of projects anywhere in a municipality for a specified number of years based on a project’s costs (see BACKGROUND).

The act allows a municipality to pass an ordinance designating an area where it can fix the assessment on improved retail property and specifying the number of years for fixing these assessments. Improvements include rehabilitating existing structures for retail use. Retail projects located outside the designated area remain eligible for a fixed assessment according to the law’s schedule.

Personal Property

The act also allows municipalities to fix the assessment on personal property located in wholesale or retail facilities according to the same statutory schedule for fixing the assessment on personal property located in manufacturing facilities. (By law, manufacturing machinery and equipment is exempt from property taxes.) As Table 1 shows, the period for fixing the assessment is based on the increase in the assessed value of the personal property located in the facility.

Table 1: Schedule for Fixing the Assessment on Eligible Personal Property

| <i>Minimum Increase in the Assessed Value of Personal Property</i> | <i>Period for Fixing the Assessment</i> | <i>Percent of Value Exempted from Taxation</i> |
|--|---|--|
| \$3 million | Up to seven years | 100% |
| \$500,000 | Up to two years | 100% |
| \$25,000 | Up to three years | Up to 50% |

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Periods for Fixing the Tax Assessment on Improved Real Property

The law allows municipalities, with their legislative bodies’ approval, to fix the assessment on certain types of real property. They may fix the increase resulting from the improvements made to real property used for offices, residences, and other specified purposes, and in doing so, exempt the value of the improvements from property taxes. As Table 2 shows, the period for fixing the assessment depends on the value of the improvements.

Table 2: Schedule for Fixing the Assessment on Eligible Real Property Improvements

| <i>Minimum Value of the Improvement</i> | <i>Period for Fixing the Assessment</i> | <i>Percent of Value Exempted from Taxation</i> |
|---|---|--|
| \$3 million | Up to seven years | 100% |
| \$500,000 | Up to two years | 100% |
| \$10,000 | Up to three years | Up to 50% |

PA 14-227—sHB 5546

Finance, Revenue and Bonding Committee

AN ACT CONCERNING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS, AN EXPANSION OF THE NEIGHBORHOOD ASSISTANCE ACT, CERTIFICATION OF MINORITY BUSINESS ENTERPRISES AND AN ALLOCATION TO THE LEGACY FOUNDATION OF HARTFORD

SUMMARY: This act makes several unrelated changes concerning a tax credit program, the small and minority business set-aside program, the Auditors of Public Accounts, and an appropriation.

The act:

1. makes business investments in certain college loan forgiveness programs located in designated areas eligible for a 100% Neighborhood Assistance Act (NAA) tax credit;
2. requires the Department of Administrative Services (DAS) commissioner to provide businesses denied an initial or renewal certificate to participate in the state's small and minority business set-aside program written notice of the denial and the reasons for it;
3. allows a person aggrieved by such a denial to appeal to the Superior Court;
4. authorizes the Department of Revenue Services (DRS) commissioner to disclose certain tax information to the Auditors of Public Accounts for purposes of reviewing whistleblower complaints;
5. requires the state auditors to conduct biennial compliance audits, rather than annual financial audits, of the Capital Region Development Authority (CRDA) and Stadium Facility Enterprise Fund; and
6. for FY 15, transfers a \$225,000 grant, funded through the Judicial Department's appropriation for Children of Incarcerated Parents, from the Greater Hartford Male Youth Leadership Program to the Legacy Foundation of Hartford (§ 6).

EFFECTIVE DATE: July 1, 2014, unless otherwise noted below.

§ 4 — NAA CREDITS FOR COLLEGE LOAN FORGIVENESS PROGRAMS

The act makes businesses investing in certain comprehensive college access loan forgiveness programs eligible for a NAA tax credit of 100% of the invested amount. Businesses qualify for the credit if the programs (1) are located in an "educational reform district" (i.e., the 10 districts with the lowest educational performance based on district performance indices) and (2) have minimum eligibility criteria, including years of enrollment in the district, grade point average, attendance records, and a loan forgiveness prerequisite. Other types of educational instruction and scholarship programs continue to qualify for a NAA credit of up to 60% of the invested amount. As with other NAA-eligible projects, a business qualifies for a NAA tax credit if the host municipality approves the loan forgiveness program and the business invests at least \$250 in it.

Under prior law, NAA credits were generally up to 60% of the investment, although businesses making certain energy conservation investments could qualify for up to 100% credits. By law, the annual limits on NAA credits are (1) \$150,000 per business (\$50,000 for investments in child care facilities) and (2) \$10 million for all businesses (CGS §§ 12-632(f), (i), & 12-634).

§ 5 — SMALL AND MINORITY BUSINESS SET-ASIDE PROGRAM

The law requires businesses to be certified by DAS to participate in the state's small and minority business set-aside program (also called the supplier diversity program). The act requires the DAS commissioner, when denying a business' application for an initial or renewal certificate under the program, to provide the applicant written notice of the denial and the reasons for it. A person aggrieved by a denial may appeal to the Superior Court in accordance with the Uniform Administrative Procedure Act.

By law, the set-aside program requires state contracting agencies and other state entities and political subdivisions, other than municipalities, to annually set aside at least 25% of the value of their contracts for exclusive bidding by qualified small contractors. They must also set aside 25% of that amount (6.25% of the total) for exclusive bidding by qualified minority business enterprises.

EFFECTIVE DATE: October 1, 2014

§ 1 — DISCLOSURE OF CERTAIN TAX INFORMATION TO THE AUDITORS OF PUBLIC ACCOUNTS

The act authorizes the DRS commissioner to disclose tax returns and return information (see BACKGROUND) to the state auditors, upon a written request for the information, for purposes of reviewing whistleblower complaints. It bars the auditors from publishing the tax information in any report they prepare on the whistleblower complaint or subsequently disclosing the information, unless the disclosure is to the attorney general for purposes of investigating the complaint. Violators are subject to existing law's penalties for unauthorized disclosures of tax information (i.e., a fine of up to \$1,000, up to one year in prison, or both (CGS § 12-15(g)).

EFFECTIVE DATE: Upon passage

§§ 2 & 3 — CRDA AND STADIUM FUND AUDIT REQUIREMENT

The act requires the state auditors to conduct biennial compliance audits, rather than annual financial audits, of CRDA and the Stadium Facility Enterprise Fund. It also eliminates a requirement that the auditors pay for the stadium audit and notify the Office of Policy and Management secretary in advance.

Existing law requires CRDA to contract with an independent auditing firm to conduct an annual financial audit in accordance with generally accepted auditing standards.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Tax Returns and Return Information

By law, a "return" is any of the following filed with the DRS commissioner by, on behalf of, or with respect to, anyone: (1) a tax or information return; (2) an estimated tax declaration; (3) a refund claim; or (4) any license, permit, registration, or other application. The term also covers amendments or supplements, including supporting schedules, attachments, or lists that supplement or are part of a filed return.

"Return information" includes:

1. a taxpayer's identity;
2. the nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax collected or withheld, tax under- or over-reportings, or tax payments; and

3. any other data received, recorded, prepared, or collected by or furnished to the DRS commissioner regarding a return or regarding any determination of liability for a tax, penalty, interest, fine, forfeiture, or other imposition or offense (CGS § 12-15(h)(1) & (2)).
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PA 14-14—HB 5098

*General Law Committee***AN ACT CONCERNING THE TERMINATION OF "ROBO" CALLS**

SUMMARY: This act increases the maximum fine, from \$500 to \$1,000, for transmitting unsolicited recorded business, commercial, or advertising messages to in-state customers through telephone message devices that do not immediately disconnect when the consumer hangs up. These messages are often referred to as "robocalls."

EFFECTIVE DATE: October 1, 2014

PA 14-16—sHB 5259

*General Law Committee***AN ACT CONCERNING THE USE OF DEBIT CARDS FOR GASOLINE PURCHASES AND NOTIFICATION TO HANDICAPPED DRIVERS OF SELF-SERVICE PUMP REFUELING SERVICES**

SUMMARY: This act codifies current Department of Consumer Protection regulations requiring gasoline dealers (e.g., service stations):

1. offering a cash discount for gas purchases to display a sign on each pump or other dispensing device showing whether a debit card payment is processed at the cash or credit price and
2. with self- and full-service facilities to post and maintain a clearly legible sign on or near each self-serve pump, in a location and manner clearly visible to handicapped drivers, (a) stating that refueling assistance is available and (b) providing instructions on how to contact or notify the dealer or cashier.

By law, gasoline dealers with self- and full-service facilities must, upon request, provide refueling assistance to handicapped drivers with a special international symbol of access license plate at the self-service fuel price. Dealers that use remotely controlled pumps or have a single cashier are exempt. They are also exempt from the act's handicap notice requirement.

Under the act, violators of the (1) debit card notice provision are subject to a fine of \$50 to \$250 and (2) handicap notice provision may have their licenses suspended or revoked and are subject to a fine of up to \$100 for a first offense and, for subsequent offenses, a fine of up to \$500, imprisonment for up to six months, or both.

EFFECTIVE DATE: October 1, 2014

PA 14-22—sSB 82

*General Law Committee***AN ACT CONCERNING PACKAGE STORES AND THE SALE OF GIFT BASKETS**

SUMMARY: This act allows package store permittees to sell gift baskets containing alcohol and other items they are allowed to sell. By law, package store permittees may sell the following statutorily specified items:

1. cigarettes;
2. publications;
3. bar utensils, such as corkscrews, beverage strainers, stirrers, or similar items used to consume or related to consuming alcohol;
4. gift packages of alcoholic liquor shipped into the state by a manufacturer or out-of-state shipper, including certain nonalcoholic gift items that are not worth more than the alcohol;
5. complementary fresh fruits or concentrates used to prepare mixed alcoholic drinks;
6. cheese, crackers, or olives;
7. nonalcoholic beverages;
8. beer and wine-making kits and related products;
9. ice;
10. clothing imprinted with advertising related to the alcohol industry;
11. gift baskets or other containers of alcoholic liquor;
12. multiple packages of alcoholic liquor; and
13. lottery tickets.

EFFECTIVE DATE: Upon passage

PA 14-32—sSB 376

*General Law Committee***AN ACT CONCERNING NONPROFIT GOLF TOURNAMENT ALCOHOLIC LIQUOR PERMITS**

SUMMARY: This act allows a tax-exempt 501(c)(3) organization, like a tax-exempt 501(c)(4) organization, to get a Department of Consumer Protection nonprofit golf tournament permit to sell alcohol for on-premises consumption on the grounds of a golf country club during a tournament the organization sponsors. Under the federal tax code, a 501(c)(3) organization must operate for a religious, charitable, or scientific purpose; a 501(c)(4) organization must promote social welfare (e.g., civic league or local association of employees). Both are nonprofit organizations.

By law, a nonprofit golf tournament permit is valid for up to eight days; only one may be issued in a calendar year. The permit costs \$250 and allows up to 25 consumer bars at the country club.

EFFECTIVE DATE: Upon passage

PA 14-48—SB 83

General Law Committee

Planning and Development Committee

AN ACT CONCERNING MUNICIPAL NOTICE OF ALCOHOLIC LIQUOR PERMIT RENEWALS

SUMMARY: This act allows municipalities to adopt ordinances requiring anyone applying to renew a liquor permit for on-premises alcohol consumption with the Department of Consumer Protection (DCP) to simultaneously give written notice of the application to the chief law enforcement official or his or her designee in the municipality where the business is located. The official or designee may send written comments on the application to the DCP commissioner within 15 days after receiving the notice. The commissioner must consider the comments before renewing the permit.

The act also requires the DCP commissioner to submit a report, by January 1, 2015, to the General Law, Planning and Development, and Public Safety and Security committees. The report must include:

1. the number and copies of written comments law enforcement officials or their designees submitted;
2. a summary of actions DCP took in granting or denying any liquor permit renewal application subject to the act's notice requirement; and
3. the commissioner's conclusions and recommendations, after consulting with the chief law enforcement officials or their designees, about the notice requirement.

EFFECTIVE DATE: Upon passage

PA 14-50—SB 267

General Law Committee

AN ACT CONCERNING SWIMMING POOL MAINTENANCE AND REPAIR WORK

SUMMARY: This act expands the activities that constitute "swimming pool maintenance and repair work" and must, therefore, be performed by a licensed pool and spa contractor.

Under prior law, the term included the plumbing, heating, and electrical work needed to service, modify, or repair a swimming pool, hot tub, spa, or similar recreational or therapeutic equipment, when the work

begins at an outlet, receptacle, connection, back-flow preventor, or fuel supply pipe previously installed by a licensed person. The act adds replacement, alteration, and maintenance services.

The act also expands the scope of maintenance and repair work to include renovating or repairing the nonpotable water structures of pools, hot tubs, or spas, not just their components. Existing law also includes pool draining, acid washing, or backwash filtration.

By law, the consumer protection commissioner must adopt regulations on licensing swimming pool maintenance and repair contractors, with help from the Plumbing and Piping Work Board. Under prior law, the regulations had to address the experience and training needed to qualify to take the licensing exam. The act allows, rather than requires, the regulations to include this information. It also allows the regulations to set the specific trade areas needing a license and trainee and continuing professional education requirements.

The law allows the commissioner or the occupational examining board to impose civil penalties for occupational licensure violations, such as willfully performing swimming pool maintenance repair work without the required license (see BACKGROUND). In addition, violators are guilty of a class B misdemeanor (see Table on Penalties) and an unfair or deceptive trade practice and must pay restitution. If they cannot fully pay restitution, a court may sentence them to probation for up to five years.

EFFECTIVE DATE: Upon passage

REGULATIONS

Under the act, the commissioner must adopt regulations, which may establish:

1. the experience and training needed to qualify for the swimming pool maintenance and repair work licensing exam;
2. specific trade areas requiring a limited license and those that do not;
3. trainee requirements and training specifications;
4. continuing professional education requirements for licensees that include at least three hours of education every two years;
5. qualifying criteria for accredited continuing education programs; and
6. criteria to waive, for good cause, continuing education requirements.

BACKGROUND

Prohibited Actions

The law prohibits unlicensed persons from willfully engaging in swimming pool maintenance and repair

work that requires an occupational license. It also prohibits willfully employing or supplying someone without a license, willfully and falsely pretending to qualify to practice in the work, or willfully doing the work after license expiration (CGS § 20-341(a)).

Civil Penalties

Civil penalties for working without a license consist of a fine of up to (1) \$1,000 for a first violation, (2) \$1,500 for a second violation, and (3) \$3,000 for subsequent violations occurring within three years after a previous violation (CGS § 20-341(b)).

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

PA 14-51—sSB 299

General Law Committee

AN ACT CONCERNING HEATING FUEL DELIVERY FEES, CHARGES AND SURCHARGES AND PREPAID GUARANTEED HEATING FUEL PRICE PLANS

SUMMARY: This act prohibits heating fuel dealers from offering prepaid guaranteed price plans (plans offering a guaranteed heating fuel price paid in advance of delivery) to consumers between November 1 and March 31 of the following year.

It also requires dealers offering such plans to disclose to consumers (1) on a Department of Consumer Protection (DCP) prescribed form, details of the plan before making the offer, including how the contract will be secured and (2) that they may be entitled to recover credit card payments if the fuel is not delivered. DCP must establish, and publish on its website, a list of all heating fuel dealers that offer prepaid guaranteed price plans to consumers.

The act (1) requires the Department of Revenue Services (DRS) commissioner to notify DCP, by June 15 annually, of any outstanding tax delinquencies a heating fuel dealer owes the state; (2) lowers the minimum heating fuel delivery amount on which dealers may impose a surcharge; and (3) makes technical changes.

EFFECTIVE DATE: July 1, 2014, except for the DRS notification, which is effective upon passage.

GUARANTEED PRICE PLANS

Prior law defined a “guaranteed price plan” as a contract offering heating fuel at a guaranteed future price or a maximum future price, irrespective of when payment was made. The act separates out those contracts paid in advance (“prepaid guaranteed price plans”) and imposes additional requirements on them.

But it excludes from such prepaid plans “budget plans,” which it defines as heating fuel contracts that (1) may be paid for in advance of, on, or after delivery; (2) are paid for in at least three installments over 120 days or more; and (3) limit the first required payment to a maximum of 50% of amounts due.

Under the act, a budget plan that is prepaid at a guaranteed price or does not have a fixed price, is not subject to either the guaranteed price plan or prepaid guaranteed price plan requirements, but must comply with general retail heating fuel contracting requirements (e.g., written in plain language and including all terms and conditions (CGS § 16a-21)).

PREPAID GUARANTEED PRICE PLANS

In addition to the existing requirements governing guaranteed price plans, the act establishes new prepaid guaranteed price plan contracting restrictions, specific disclosure requirements, and penalties for violations.

Prohibited Contracting Periods

The act prohibits heating fuel dealers from offering prepaid guaranteed price plans to consumers between November 1 and the following March 31. Dealers may deliver heating fuel during this period if the customer entered into a contract with the dealer to make deliveries during this period and the contract was entered into before July 1, 2014 or between April 1 and October 31.

Contract Security Disclosure

The act requires heating fuel dealers, before offering a prepaid guaranteed price plan to consumers, to disclose the plan’s details on a DCP-prescribed form. The details must include the dealer’s method of securing the contract, as required by existing law (CGS § 16a-

23n(d)). By law, such a contract must already indicate, in clear and specific language, that it is secured using one of two acceptable methods, among other things (CGS § 16a-23n(f)).

By law, dealers may secure prepaid guaranteed price plan contracts in either of two ways. The first is by obtaining heating fuel physical inventory to which the dealer holds title, futures or forwards contracts, physical supply contracts, or other similar commitments, the total amount of which allows the dealer to purchase, at a fixed price, at least 80% of the maximum number of gallons of fuel or amount that the dealer is committed to deliver under all of its guaranteed price contracts. The second is by obtaining a surety bond equal to at least 50% of the total amount paid by consumers under prepaid guaranteed price plan contracts.

Under the act, the DCP commissioner must report any dealer who knowingly fails to secure the contract (including non-prepaid guaranteed price plan contracts) to the state's attorney for the judicial district where the violation occurs. By law, such a violation is a class A misdemeanor (see Table on Penalties).

Credit Card Recovery Disclosure

Under the act, a heating fuel dealer must, before entering into a prepaid guaranteed price plan contract with a consumer, provide a conspicuous statement printed in at least 12-point boldface type of uniform font, in a form similar to:

DISCLOSURE NOTICE CONCERNING CREDIT CARD PAYMENT OPTION. If you pay by credit card for a prepaid guaranteed heating fuel price plan contract, you may be entitled to recovery payments pursuant to the federal Fair Credit Billing Act or your credit card company's terms and conditions if heating fuel is not delivered to you in accordance with the contract.

Penalties

The act imposes penalties for offering a contract during the prohibited times and failing to make the required disclosures. Violators are deemed to have committed an unfair and deceptive trade practice and are subject to maximum fines of (1) \$500 for a first offense, (2) \$750 for a second offense within three years of the prior offense, and (3) \$1,500 for subsequent offenses within three years of a prior offense. Under the act, the DCP commissioner may require heating fuel dealers to produce documents demonstrating compliance with these requirements. DCP may also suspend or revoke a violator's registration.

These penalties are the same as those under existing law for home heating fuel and guaranteed price plan violations.

DELIVERY FEE OR SURCHARGE

Prior law allowed a dealer to impose a delivery fee, charge, or surcharge on heating fuel deliveries when the shipment contained 100 gallons or less. The act reduces this amount to less than 100 gallons, thus prohibiting this fee on 100-gallon deliveries. A violation is deemed an unfair and deceptive trade practice.

BACKGROUND

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the DCP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violating a restraining order.

Related Act

PA 14-191 makes a technical change to an internal reference in this act.

PA 14-52—sSB 205

General Law Committee

AN ACT MAKING MINOR AND TECHNICAL CHANGES TO REAL ESTATE APPRAISER AND APPRAISAL MANAGEMENT COMPANY DEFINITIONS AND STATUTES

SUMMARY: This act makes several changes in real estate appraiser and appraisal management company laws. It:

1. requires real estate appraisal schools to be registered with the Connecticut Real Estate Appraisal Commission (CREAC) and their courses to be approved by the Department of Consumer Protection (DCP) commissioner (see BACKGROUND) (§ 10);

2. requires a former appraiser certificate holder or provisional licensee to pay all past due fees, instead of a specific sum, to reinstate an expired certificate or license (§ 9);
3. appears to reduce, from four to one, the number of times an applicant may take the test for a certificate or provisional license after paying the application fee (§ 7);
4. permits CREAC to use a written test prepared by the Appraisal Qualification Board of the Appraisal Foundation when testing applicants for a certificate or provisional license (see BACKGROUND) (§ 8);
5. defines the license issued to someone working under the direct supervision of a certified appraiser to gain appraisal experience (i.e., provisional license) (§ 1); and
6. codifies the real estate appraisal regulations' requirement that the annual registry fee certified appraisers must pay to the DCP commissioner is set by the Federal Financial Institutions Examination Council's appraisal subcommittees (§ 9).

The act eliminates obsolete references to the limited appraiser and appraiser licenses, which DCP stopped issuing or renewing in 2006 and 2003, respectively.

It also makes several other minor changes to definitions, and conforming and technical changes.

EFFECTIVE DATE: July 1, 2014

§ 10 — REAL ESTATE APPRAISAL SCHOOLS AND COURSES

The act requires real estate appraisal schools to be registered with CREAC before they can offer courses in real estate appraisal prerequisite education or continuing education. The registration application must be made on DCP commissioner-prescribed forms and include a \$100 application fee. The registrations are valid for two years and are renewable. The fee for both initial registration and renewal is \$200.

By law, the DCP commissioner may, with CREAC's advice and assistance, adopt regulations on approving real estate appraisal schools, course content, and advertising. Under current regulations, CREAC approves these schools (Conn. Agencies Reg. § 20-512-2).

CREAC also currently approves the prerequisite or continuing education courses the schools offer (Conn. Agencies Reg. §§ 20-512-3 & -5). The act, instead, requires the DCP commissioner to approve them.

Under the act, schools must apply for each course approval separately, and the application fee for each course is \$100.

§ 9 — REINSTATEMENT FEES

By law, appraiser certificates and provisional licenses are valid for one year and are renewable, for a fee.

Under the act, once a credential expires, it may generally be reinstated only if the former certificate holder or provisional licensee pays all past due fees, from the expiration date to the date of reinstatement. Prior law set a flat reinstatement fee: \$225 for a certification and \$50 for a provisional license. The law requires this to be done within two years after the expiration.

The act retains the reinstatement fee exemption for appraisers whose certificates or provisional licenses expire after they enter military service and then seek reinstatement within two years after the expiration.

§§ 7 & 8 — APPLICANT TESTING

By law, applicants for an appraiser certificate must pass a written test. CREAC may also, but does not currently, require provisional license applicants to be tested.

Prior law allowed applicants for either credential to take the test up to four times within one year after paying the application fee. The act appears to limit applicants to taking one test per fee paid.

By law, the test must be consistent with guidelines established by the Appraisal Qualification Board of the Appraisal Foundation. Prior law required it to be prepared by DCP or a national testing service DCP designated. The act also allows the board to prepare the test.

BACKGROUND

CREAC

By law, CREAC is in DCP. It has eight members; five are certified appraisers, and three are members of the public. Its duties include (1) authorizing DCP to issue certificates and provisional licenses to appraisers and (2) administering the real estate appraiser and appraisal management companies laws (CGS §§ 20-502 & 20-503).

The Appraisal Foundation

The Appraisal Foundation is a national, private nonprofit educational organization for real estate appraisers. Its Appraiser Qualifications Board is an independent board that establishes the qualification criteria for state licensing and certification.

PA 14-53—sSB 209
General Law Committee
Judiciary Committee

**AN ACT PROHIBITING UNSOLICITED
 COMMERCIAL TEXT MESSAGES AND
 INCREASING PENALTIES FOR VIOLATIONS
 OF THE DO NOT CALL REGISTRY**

SUMMARY: This act broadens the scope of the laws regulating telemarketers. It generally prohibits telephone solicitors from making unsolicited sales calls, including sending texts and media messages, to consumers on the state “Do Not Call” registry unless they receive a consumer’s prior express written consent (see BACKGROUND). Prior law allowed these calls upon written or verbal request. The act also prohibits solicitors from making or causing to be made unsolicited, automatically dialed, recorded telephonic sales calls without prior express written consent. These messages are often referred to as “robocalls.”

Additionally, the act (1) prohibits solicitors from sending unsolicited texts or media messages to a consumer’s mobile device at any time and (2) limits the types of texts and media messages telecommunication companies can send. Under the act, a text or media message is a message that contains written, audio, video, or photographic content and is sent electronically to a mobile telephone or electronic device telephone number, but does not include electronic mail.

The act also increases the maximum fine for each solicitor’s registry violation from \$11,000 to \$20,000. By law and under the act, “Do Not Call” violations are also deemed an unfair and deceptive trade practice (see BACKGROUND).

Under the act, each telephone and telecommunications company that issues an account statement to a consumer for telephone, mobile telephone, or mobile electronic device services must include, at least twice a year, a conspicuous notice on or with the statement. The notice must inform a consumer (1) of the prohibited actions of telephone solicitors; (2) how to place his or her telephone, mobile telephone, or mobile electronic device number on the “Do Not Call” registry; and (3) how to obtain a registry complaint form from the Department of Consumer Protection (DCP) website.

EFFECTIVE DATE: October 1, 2014

TEXT AND MEDIA MESSAGES

Telephone Solicitors

Under the act, regardless of whether a consumer is on the registry, solicitors may only send, or cause to be sent, text or media messages for marketing or soliciting

sales of consumer goods if the solicitor has received the consumer’s prior express written consent to receive such texts or messages.

Telecommunications Companies

Under the act, a telecommunications company may send a free text or media message to an existing customer if the message is primarily in connection with (1) an existing debt that has not yet been paid, (2) an existing contract between the company and the customer, (3) a wireless emergency alert authorized by federal law, or (4) a prior customer-initiated request for customer service.

BACKGROUND

Prior Express Written Consent

Under federal regulations, “prior express written consent” means a written agreement, bearing the caller’s signature (including electronic or digital signatures) that clearly authorizes the seller to deliver or cause to be delivered to the caller, advertisements or telemarketing messages using an automatic telephone dialing system or an artificial or prerecorded voice. The agreement must (1) include a clear and conspicuous disclosure with certain consumer protections and (2) give the telephone number to which the caller authorizes the messages to be delivered (47 CFR § 64.1200).

Do Not Call Registry

Connecticut Law. State law allows any individual to register a telephone number with the “Do Not Call” registry, and prohibits telephone solicitors from making unsolicited telephone calls to any such number. The law applies to calls made to (1) engage in a marketing or sales solicitation, (2) solicit a credit extension for such goods or services, or (3) obtain information to use in soliciting a sale or credit extension.

The law does not apply to calls made or sent (1) in response to a consumer’s visit to a seller’s establishment; (2) by a tax-exempt nonprofit organization; (3) primarily in connection with an existing debt or contract that has not been paid or performed; or (4) to an existing consumer, unless he or she has informed the solicitor that he or she no longer wishes to receive the solicitor’s calls (CGS § 42-288a).

Federal Law. The Federal Communications Commission restricts telemarketers from placing unsolicited robocalls and sending text messages under the Telephone and Consumer Protection Act. Under federal law, telemarketers cannot make robocalls based solely on an “established business relationship.”

Federal law bans these texts unless the (1) recipient previously consented to receive the message or (2) message is sent for emergency purposes. This ban applies even if a person has not placed his or her mobile phone number on the national Do Not Call list.

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the DCP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

PA 14-82—HB 5477

General Law Committee

Finance, Revenue and Bonding Committee

AN ACT CONCERNING A STATE-WIDE PLATFORM FOR THE DISTRIBUTION OF ELECTRONIC BOOKS

SUMMARY: This act expands the statewide library service programs that the State Library Board may establish and conduct to include creating and maintaining a statewide platform for distributing electronic books (e-books) to public library patrons.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

E-Books

An e-book is a book published in a digital form that is readable on computers or other electronic devices. Libraries allow patrons to download e-books they wish to read using different lending models, which depend on individual distributorship agreements.

State Library Board Programs

The statewide library services programs include:

1. cataloging and processing services;
2. creating and maintaining current and retrospective union catalogs of books, union lists of serials, and similar cooperative listings of library materials;

3. coordinating, acquiring, storing, and depositing library materials;
4. supporting and encouraging the transfer, as loans or copies, of library materials between libraries and to nonresident library patrons;
5. providing suitable high-speed communications facilities;
6. creating and maintaining bibliographic and regional reference centers;
7. providing traveling collections of library materials and book examination centers; and
8. providing publicity and public relations service for libraries.

Related Act

PA 14-98, § 2(k), authorizes \$2.2 million in general obligation state bonds for the State Library to create and maintain a statewide platform for distributing e-books to library patrons.

PA 14-111—sSB 269

General Law Committee

AN ACT CONCERNING A SINGLE ALCOHOLIC LIQUOR PERMIT FOR MULTIPLE EVENTS IN A CALENDAR YEAR

SUMMARY: This act (1) allows certain organizations seeking temporary or daily liquor permits to apply to the Department of Consumer Protection (DCP) for a single permit that allows alcohol sales for multiple events, rather than applying each time they wish to hold an event, and (2) increases the number of times such permits are effective to 12 times per year. The affected liquor licenses are the temporary beer, temporary alcoholic liquor, charitable organization, and nonprofit corporation permits.

EFFECTIVE DATE: July 1, 2014

TEMPORARY BEER AND TEMPORARY LIQUOR PERMITS

The act increases, from six to 12, the number of events in a calendar year at which a bona fide noncommercial organization may allow the sale of alcohol. It requires DCP to approve the dates and times for each outing, picnic, or social gathering. The approval must be displayed on the permit. By law, the temporary beer permit fee is \$30 per day and only allows the sale of beer. The temporary liquor permit fee is \$50 per day and allows the sale of any alcohol type (i.e., liquor, wine, and beer).

CHARITABLE ORGANIZATION PERMIT

The act increases, from eight to 12, the number of days in a calendar year when a charitable organization may, on its premises, allow the retail sale of alcoholic liquor for on-premises consumption. The dates for which the permit is issued must be displayed on the permit. By law, the charitable organization permit fee is \$50.

NONPROFIT CORPORATION PERMIT

The act increases, from one to 12, the number of auctions in a calendar year at which a nonprofit corporation may allow the retail sale of wine as part of a fundraising event to benefit its tax-exempt activities. By law, a nonprofit corporation permit fee is \$25.

PA 14-126—HB 5258

General Law Committee

AN ACT CONCERNING BAKERIES, FOOD MANUFACTURING ESTABLISHMENTS AND FOOD WAREHOUSES

SUMMARY: This act expands the Department of Consumer Protection's (DCP) oversight authority to include (1) food warehouses and (2) food manufacturing establishments where food is repacked or cut.

The act requires anyone operating a food warehouse to obtain a DCP registration certificate. The commissioner must issue a registration if an applicant (1) completes, to the commissioner's satisfaction, forms he prescribes and (2) pays a \$20 registration fee. A registration is valid for one year.

Under the act, a "food warehouse" is a building or part of a building where food is stored for wholesale distribution, but only if it is used primarily to import, store, or distribute packaged food. It excludes (1) places used to operate bakeries or food manufacturing establishments and (2) facilities the law exempts from licensure as food manufacturing establishments (see **BACKGROUND**).

The act subjects food manufacturing establishments where food is repacked or cut to the existing licensure requirements that apply to establishments that can, cook, freeze, dehydrate, or mill food. By law, the annual license fee for a food manufacturing establishment is \$20.

The act also makes minor and technical changes, including specifying that bakeries must be designed, constructed, and operated as the commissioner directs under the state's Uniform Food, Drug, and Cosmetic Act and laws regulating bakeries and food manufacturing establishments.

EFFECTIVE DATE: Upon passage

BACKGROUND

Exemptions from DCP Regulation of Food Manufacturers

The law exempts the following facilities from regulation as food manufacturing establishments:

1. certified farmers' markets;
2. residential farms that produce acidified food products, jams, jellies, or preserves;
3. state shellfisheries;
4. facilities that produce nonalcoholic beverages, milk, or milk products;
5. foods regulated under the laws on pure food and drugs (e.g., kosher foods, vending machines, frozen desserts); and
6. facilities that grade and market farm products or conduct certain activities under the Agriculture Department's jurisdiction.

Premises used only for the retail sale or storage of prepackaged food are also exempt (CGS § 21a-151).

PA 14-127—sHB 5263

General Law Committee

AN ACT MAKING MINOR AND TECHNICAL CHANGES TO DEPARTMENT OF CONSUMER PROTECTION STATUTES

SUMMARY: This act makes several minor and technical changes in the Department of Consumer Protection (DCP) statutes. It:

1. allows the DCP commissioner to accept a written assurance of compliance from a charitable organization, fundraising counsel, or paid solicitor for all Charitable Funds Act violations, not just material violations, when he determines the public interest is not served by denying, suspending, or revoking the violator's registration;
2. conforms the law to current DCP practice by requiring an applicant seeking payment from the New Home Construction Guaranty Fund to affirm that he or she, as part of a judgment execution, failed to discover any personal, instead of real, property that would satisfy the judgment; and
3. eliminates an obsolete provision pertaining to a lemon law arbitration panel member. (There is no longer a panel.)

EFFECTIVE DATE: July 1, 2014

PA 14-135—HB 5099
General Law Committee

AN ACT CONCERNING CATERER, BREW PUB MANUFACTURER AND BEER AND BREW PUB MANUFACTURER ALCOHOLIC LIQUOR PERMITS

SUMMARY: This act allows anyone who holds a manufacturer permit for a brew pub or beer and brew pub to also hold a caterer liquor permit. Under prior law, these manufacturer permittees could serve alcohol only on their own premises. The act allows them, if they obtain a caterer's permit, to sell and serve liquor, beer, spirits, and wine for on-premises consumption at any outside activity, event, or function for which they are hired. By law, they may sell and serve alcohol only during the allowable hours for on-premises alcohol sale.

By law, caterer liquor permittees must notify the Department of Consumer Protection (DCP) at least one business day before an event of the event's date, hours, and location. The notice must be given on a DCP-prescribed form or, if the caterer is unable to do so due to exigent circumstances, by telephone. The annual caterer liquor permit fee is \$440.

EFFECTIVE DATE: July 1, 2014

PA 14-144—HB 5336
General Law Committee
Judiciary Committee

AN ACT CONCERNING THE POSSESSION OF ALCOHOLIC LIQUOR BY MINORS

SUMMARY: Prior law required a person who owns or controls private property, including a dwelling unit, to make reasonable efforts to prevent a minor (under age 21) from illegally possessing alcohol on the property. This act requires the property owner to know that the minor possesses alcohol on the property before being required to make such efforts.

By law, unchanged by the act, it is also a violation if the person knowingly, recklessly, or with criminal negligence permits a minor to possess alcohol illegally in the unit or on the property.

By law and under the act, violators are guilty of a class A misdemeanor (see Table on Penalties).

EFFECTIVE DATE: Upon passage

PA 14-145—sHB 5337
General Law Committee
Public Health Committee

AN ACT CONCERNING FEES CHARGED FOR SERVICES PROVIDED AT HOSPITAL-BASED FACILITIES

SUMMARY: This act requires a hospital or health system to notify individual patients and the public that it charges a facility fee for outpatient services. The facility providing the service (hospital-based facility) must notify a patient in writing (1) that the facility is part of a hospital or health system that charges a facility fee, (2) about the patient's potential financial liability, and (3) that the patient should contact his or her health insurance company for additional information. The specific content of the notice depends on the facility's billing system, and the deadline for sending the notice depends on when the patient's appointment is made. The patient notice requirements do not apply to Medicare or Medicaid patients or those receiving services under a workers' compensation plan.

The act also requires a hospital-based facility to (1) prominently display a sign indicating it charges a facility fee and (2) market itself as a hospital-based facility.

Under the act, a "facility fee" means any fee a hospital or health system charges or bills for outpatient hospital services provided in a hospital-based facility that is (1) intended to compensate the hospital or health system for its operational expenses and (2) separate and distinct from a professional fee, which is any fee charged or billed by a provider for professional medical services provided in a hospital-based facility. A "health system" is (1) a parent corporation of one or more hospitals and any entity affiliated through ownership, governance, membership, or other means or (2) any entity affiliated with a hospital through ownership, governance, membership, or other means.

EFFECTIVE DATE: October 1, 2014

INDIVIDUAL PATIENT NOTICE

General Requirements

The act requires a hospital or health system that charges a facility fee to notify patients receiving outpatient services in writing about their potential financial liability. The notice must be in plain language that is reasonably understood by a patient who does not have special knowledge of hospital or health system facility charges. It must state that:

1. the hospital-based facility is part of a hospital or health system that charges a facility fee in addition to and separate from the provider's professional fee;
2. the patient's financial liability depends on the professional medical services actually provided;
3. the patient may incur financial liability greater than he or she would incur if the professional medical services were not provided by a hospital-based facility; and
4. a patient covered by a health insurance policy should contact his or her health insurer for additional information on the hospital's or health system's charges and fees, including whether he or she is potentially financially liable for any charges and fees.

Requirements for Facilities Using Current Procedural Terminology Evaluation and Management (CPT E/M) Codes

The act requires the notice to provide additional information if the hospital or health care system provides outpatient services at a facility that (1) uses CPT E/M codes and (2) expects to charge a separate fee for professional medical services. The notice issued by these hospitals or health systems must:

1. identify any facility fee that will likely be charged;
2. identify any professional fee likely to be charged if professional medical services are provided by an affiliated provider; or
3. estimate the patient's financial liability based on typical or average charges for the visits to the hospital-based facility, including the facility fee, if the exact type and extent of the professional medical services needed or the terms of a patient's health insurance coverage are not known with reasonable certainty.

Notice Delivery

The timeframe for sending the patient's notice depends on when the patient's appointment is made and whether it is for an emergency situation.

Nonemergency Care. Under the act, for nonemergency care when a patient's appointment is scheduled for 10 or more days after the appointment is made, the hospital or health system must send written notice to the patient through first class mail, encrypted email, or a secure patient Internet portal within three days after the appointment is made. For appointments scheduled to occur within 10 days after they were made, or if the patient arrives without an appointment, the notice must be hand-delivered to the patient when he or

she arrives at the facility.

Emergency Care. The act requires hospitals or health systems to provide written notice to an emergency care patient as soon as practicable after the patient is stabilized or is determined not to have an emergency medical condition and before he or she leaves the facility. If the patient is unconscious, under great duress, or unable to read the notice and understand and act on his or her rights for any other reason, the hospital or health system must provide the notice to the patient's representative as soon as practicable.

NOTICE TO THE PUBLIC

Prominently Displayed Sign

The act requires a hospital-based facility to prominently display written notice in readily accessible locations visible by patients, including patient waiting areas. The sign must state that:

1. the hospital-based facility is part of a hospital or health system and
2. if the hospital-based facility charges a facility fee, the patient may incur a financial liability greater than the patient would incur if the facility was not a hospital-based facility.

Other Marketing Material

Under the act, a hospital-based facility must clearly present itself to the public and payers as being hospital based, including stating the name of the hospital or health system on its sign, marketing material, websites, and stationery.

PA 14-189—HB 5334

General Law Committee

AN ACT ESTABLISHING AN OFF-SITE FARM WINERY SALES AND TASTING PERMIT

SUMMARY: This act creates an off-site farm winery sales and tasting permit that allows farm winery permittees to sell bottles of wine and offer free samples of wine manufactured on the farm at up to seven off-site events or functions per year. An off-site farm winery sales and tasting permittee may offer these sales and tastings at events held by temporary liquor, charitable organization, or nonprofit permittees. These temporary or daily permits allow noncommercial, charitable, and nonprofit organizations to sell alcohol at their events.

At least five business days before an off-site farm winery sales and tasting permittee holds an off-site sale or tasting, he or she must notify the Department of Consumer Protection (DCP), on a commissioner-

prescribed form, of its date, hours, and location. The permittee or authorized representative must be present whenever a bottle of wine is sold or a free sample is offered.

Under the act, the DCP commissioner must issue an off-site farm winery sales and tasting permit to a farm winery permittee who submits proof that he or she is complying with the farm winery statutes. The permit is valid for one year and has a \$250 annual fee with a \$100 nonrefundable filing fee.

The act allows towns or municipalities to prohibit off-site farm winery sales and tasting permittees from selling bottles of wine or offering free wine samples through an ordinance or zoning regulation.

By law, liquor permittees are banned from holding liquor permits in different permit classes, unless specifically exempted. Under prior law, a farm winery manufacturer permittee could hold an in-state transporter's permit, a wine festival permit, farmers' market wine sales permit, or any combination of these. The act adds the off-site farm winery sales and tasting permit to the exemption, thus allowing a farm winery manufacturer permittee to concurrently hold any of these permits.

EFFECTIVE DATE: July 1, 2014

PA 14-191—sHB 5476

General Law Committee

AN ACT CONCERNING A STUDY OF THE FEASIBILITY OF LEGALIZING INDUSTRIAL HEMP

SUMMARY: This act requires the agriculture, consumer protection, and economic and community development commissioners to study the feasibility of legalizing industrial hemp to (1) encourage economic development and (2) increase new businesses in Connecticut. They must first consult with the attorney general.

Under the act, each commissioner must study a different aspect of legalizing industrial hemp. The agricultural commissioner must study its production; the consumer protection commissioner must study its possession; and the economic and community development commissioner must study its sale.

The act also requires the consumer protection commissioner to report, by January 1, 2015, to the Commerce, Environment, and General Law committees on his recommendations for:

1. establishing a statutory definition of "industrial hemp" to distinguish it from marijuana, based on a percentage of proposed tetrahydrocannabinol (the active compound in marijuana) in the hemp;

2. exempting industrial hemp from the law's definition of "controlled substance"; and
3. creating a licensing system for growers and sellers.

Lastly, the act makes a technical change to an internal reference in PA 14-51, which, among other things, requires the Consumer Protection Department to establish a list of all heating fuel dealers that offer prepaid guaranteed price plans to consumers.

EFFECTIVE DATE: Upon passage, except the technical change to PA 14-51 takes effect July 1, 2014.

PA 14-197—SB 208

General Law Committee

Judiciary Committee

AN ACT CONCERNING PHARMACY REWARDS PROGRAMS AND PROTECTED HEALTH INFORMATION

SUMMARY: This act requires a retailer to give consumers a written, plain-language summary of a pharmacy reward program's terms and conditions before enrolling consumers in the program. Under the act, a "pharmacy rewards program" is a promotional arrangement where a retailer gives a consumer store credits, discounts, or other tangible benefits in exchange for the consumer filling prescriptions through the retailer or its affiliate.

The act requires additional disclosures about the use of protected health information if consumers must sign a HIPAA authorization form to participate in the programs. The act defines "HIPAA authorization" as permission to disclose medical records that meet the privacy requirements of the 1996 federal Health Insurance Portability and Accountability Act or its associated regulations (see BACKGROUND).

The act requires certain terms, if used, to be defined in the programs' (1) promotional materials, (2) plain-language summary, and (3) HIPAA authorization.

A violation of the act's requirements is deemed an unfair or deceptive trade practice.

EFFECTIVE DATE: July 1, 2014

HIPAA AUTHORIZATION FORM

Under the act, if retailers make consumers sign a HIPAA authorization form in order to participate in their pharmacy rewards programs, the retailers must include the following information on the form:

1. the specific uses or disclosures of protected health information the authorization allows;
2. whether protected health information the retailer obtains will be disclosed to third parties and, if so, that the information will not be

- protected by federal or state privacy laws;
3. which, if any, third parties will have access to the health information;
 4. how to revoke the authorization; and
 5. that the consumer is entitled to a copy of the signed authorization.

This information must be provided next to where the form is signed.

Federal regulations already require authorizations to include such things as (1) a description of protected health information that will be used and disclosed and (2) the people allowed to use, disclose, or receive the information (45 CFR Parts 160 and 164).

RELEVANT TERMS

The act requires certain terms, if they are used, to be defined in the program's promotional materials, the plain-language summary, and on the HIPAA authorization form next to where it is signed. The terms included are:

1. HIPAA,
2. Health Insurance Portability and Accountability Act of 1996,
3. HIPAA authorization,
4. protected health information, and
5. marketing.

The act uses certain definitions from HIPAA regulations. "Protected health information" includes individually identifiable health information transmitted by or maintained in electronic media or transmitted or maintained in some other form, but not information included in certain records such as education or employment records (45 CFR § 160.103). "Marketing" generally means making a communication about a product or service to encourage the purchase or use of the product or service. It does not include certain communications about health care treatment and operations (45 CFR § 164.501).

BACKGROUND

HIPAA

The HIPAA "privacy rule" sets national standards to protect the privacy of health information. It protects individually identifiable health information by defining and limiting the circumstances under which covered entities may use or disclose such information.

Connecticut Unfair Trade Practices Act (CUTPA)

CUTPA prohibits unfair and deceptive acts or practices. It allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order

restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

PA 14-210—sSB 412

General Law Committee

Judiciary Committee

Labor and Public Employees Committee

AN ACT CONCERNING THE ENFORCEMENT OF CERTAIN OCCUPATIONAL LICENSING STATUTES

SUMMARY: This act makes several changes in the Department of Consumer Protection's (DCP) occupational licensing enforcement laws. It:

1. requires the commissioner to annually report to the General Law Committee on the complaints DCP receives about people licensed, registered, or certified by certain DCP boards and commissions (§ 3);
2. requires DCP boards or commissions, instead of their chairpersons, to approve dismissing certain complaints (§ 3);
3. allows the commissioner and the appropriate examining board to report certain violations to the state's attorney together (§ 1); and
4. specifies that the commissioner's or the appropriate examining board's authority to impose a civil penalty on people performing certain unlicensed work or responsible for similar violations applies to each violation (§ 2).

The act also makes technical changes.

EFFECTIVE DATE: October 1, 2014

§ 3 — DCP COMPLAINTS

Annual Report

By January 15, 2015, the act requires the commissioner to begin annually reporting to the General Law Committee on the complaints DCP received during the previous calendar year on the work or practice of people licensed, registered, or certified by certain boards or commissions. The report must include the total number of complaints and nature and resolution of each complaint indicating, if applicable, whether the complaint was:

1. dismissed because the conduct, if substantiated, would not violate a law or regulation;
2. investigated;
3. dismissed after an investigation for lacking probable cause;
4. resolved by a settlement and if it imposed a penalty; or
5. brought for a formal hearing and if a violation was found and penalty imposed.

DCP must report this information on complaints concerning people licensed, registered, or certified by the boards for architectural work; electrical work; plumbing and piping work; heating, piping, cooling, and sheet metal work; elevator installation, repair, and maintenance work; fire protection sprinkler systems work; and automotive or flat glass work.

Dismissals

The act shifts the authority to approve dismissing a complaint investigated by DCP for which no probable cause is found from the applicable board's or commission's chairperson to the board or commission. This applies to the following DCP boards and commissions: the occupational boards for work, such as electrical, plumbing and piping, sheet metal, elevator, fire protection sprinkler system, and automotive and flat glass work; architectural licensing; television and radio service; pharmacy; landscape architects; professional engineers and land surveyors; real estate; real estate appraisal; shorthand reporters; liquor control; and home inspection licensing (CGS § 21a-6).

By law, DCP receives complaints on (1) the work and practices of people licensed or certified by its boards or commissions and (2) unauthorized work and practices by unlicensed people. DCP screens the complaints and dismisses those that, if substantiated, would not violate the law or an applicable regulation. DCP must investigate the complaints that, if substantiated, would be a violation.

§ 1 — REPORTING VIOLATIONS

Prior law required the examining boards for certain occupations, or the DCP commissioner or his agent, after a hearing showing a violation of the occupational licensing law or regulations, to report the violation to the office of the state's attorney. The act (1) eliminates the agent's reporting authority and (2) allows the boards and commissioner to jointly or separately report a violation.

The authority to report licensing violations applies to the examining boards for the following occupations: electrical work; plumbing and piping work; heating, piping, cooling, and sheet metal work; elevator installation, repair, and maintenance work; fire

protection sprinkler systems work; and automotive glass and flat glass work (CGS § 20-331).

§ 2 — CIVIL PENALTIES

By law, the commissioner or the appropriate examining board, after notice and hearing, may impose a civil penalty on anyone who:

1. performs certain work without first obtaining the required certificate or license,
2. willfully hires or provides an uncertified or unlicensed person to perform the work,
3. performs the work when the required license or certification has expired, or
4. violates any of the laws or regulations applicable to the license or certification to perform the work.

The act specifies that the commissioner or the board may impose a separate civil penalty for each violation.

By law, the fines are up to (1) \$1,000 for a first violation, (2) \$1,500 for a second violation, and (3) \$3,000 for violations occurring within three years of a second or subsequent violation. Improperly registered apprentices are exempt from a penalty for a first offense.

These fines apply to people who perform work such as electrical; plumbing and piping; heating, piping, cooling, and sheet metal; solar; elevator; fire protection sprinkler system; irrigation; gas hearth; automotive and flat glass; electronics, television, or radio; swimming pool maintenance and repair; or well drilling.

PA 14-224—sHB 5262

*General Law Committee
Judiciary Committee*

AN ACT CONCERNING THE PHARMACY PRACTICE ACT AND COUNTERFEIT DRUGS OR DEVICES

SUMMARY: This act makes several changes in the pharmacy laws, including adding requirements for (1) sterile compounding, including making certain compounding pharmacies register as drug manufacturers; (2) nonresident pharmacies; (3) counterfeit drugs and devices; and (4) "dispense as written" prescriptions.

The act gives the Department of Consumer Protection (DCP) more oversight over sterile compounding pharmacies by, among other things, requiring them to file additional reports with the department and comply with the latest pharmacopeia standards on sterile pharmaceutical preparations. It requires sterile compounding pharmacies that dispense

sterile pharmaceuticals without a prescription or patient-specific medical order to obtain a DCP manufacturing registration certificate regardless of whether their principal place of business is located in Connecticut.

The act also (1) requires nonresident pharmacies to provide additional information to DCP and (2) adds grounds for the Commission of Pharmacy to deny, revoke, or suspend a nonresident pharmacy's registration. By law, the Pharmacy Commission operates within DCP and has jurisdiction over pharmacy practice in the state and, among other things, approves the licensure and registration of pharmacies, pharmacists, and pharmacy interns.

The act bans selling or delivering counterfeit drugs and devices and gives DCP additional investigatory and enforcement authority, including the ability to impose civil and criminal penalties. Existing law prohibits selling counterfeit or misbranded drugs under the state Uniform Food, Drug, and Cosmetic Act (see BACKGROUND).

The act establishes new procedures for prescribing practitioners and pharmacists when dispensing brand named drugs for which generic drugs cannot be substituted. It also makes several technical changes.

EFFECTIVE DATE: July 1, 2014

§ 2 — STERILE COMPOUNDING

The act requires pharmacies and institutional pharmacies within Department of Public Health (DPH)-licensed health care facilities that compound sterile pharmaceuticals to comply with (1) the latest U.S. Pharmacopeia, Chapter 797, Pharmaceutical Compounding – Sterile Preparations (pharmacopeia standards) and (2) all applicable federal and state law and regulations. Such pharmacies must prepare and maintain a policy and procedure manual that complies with the pharmacopeia standards. The act allows the DCP commissioner to adopt regulations to implement these provisions.

Under the act, a “sterile compounding pharmacy” is a pharmacy or nonresident pharmacy that dispenses or compounds sterile pharmaceuticals. “Sterile pharmaceuticals” mean any drug dosage, including parenterals (medicine not administered orally), injectables, surgical irrigants, and ophthalmics without viable microorganisms. A “medical order” is a written, oral, or electronic order by a prescribing practitioner for a drug to be dispensed by a pharmacy and administered to a patient.

Amending Pharmacy Application

The act requires, on or after July 1, 2014, licensed or registered in-state and nonresident pharmacies that intend to compound sterile pharmaceuticals to file an

addendum including sterile compounding to their pharmacy applications with DCP. New in-state and nonresident pharmacy license or registration applicants intending to compound sterile pharmaceuticals must also file an addendum to their pharmacy license application to include sterile compounding. These addendums must be approved by DCP and the Pharmacy Commission before sterile compounding may begin.

Inspection

The act requires DCP to inspect and approve an in-state pharmacy's premises before the pharmacy may begin compounding sterile pharmaceuticals.

Nonresident pharmacies must submit written proof to DCP that they passed an inspection, based on pharmacopeia standards, by the appropriate state agency in their home state before they may begin compounding sterile pharmaceuticals for sale or delivery into Connecticut. The nonresident pharmacy must submit a copy of the report with its initial application and every two years thereafter. If the state where the pharmacy is located does not conduct inspections based on pharmacopeia standards, the pharmacy must still provide proof that it complies with the standards.

Institutional Pharmacy Extension of Time

Under the act, an institutional pharmacy within a DPH-licensed health care facility that compounds sterile pharmaceuticals may, with good cause, seek from the DCP commissioner an extension of time for up to six months to comply with the pharmacopeia standards. The act allows the institutional pharmacy to request, and the DCP commissioner to grant, subsequent extensions.

Patient-Specific Requirement

The act requires sterile compounding pharmacies to provide patient-specific sterile pharmaceuticals only to patients, physicians, osteopaths, podiatrists, dentists, or veterinarians; acute care or long-term care hospitals; or DPH-licensed health care facilities.

Manufacturing Registration

The act requires sterile compounding pharmacies that provide sterile pharmaceuticals without a prescription or medical order to get a DCP manufacturing registration and any required federal license or registration. A sterile compounding pharmacy may prepare and maintain on-site up to a 30-day supply of sterile pharmaceuticals. The 30 days start from the day compounding is completed, including third-party analytical testing performed according to pharmacopeia standards.

Remodeling

The act requires sterile compounding pharmacies to notify DCP at least 10 days before remodeling or relocating a pharmacy clean room or upgrading or conducting nonemergency repairs to the heating, ventilation, air conditioning, or primary engineering controls for a clean room. They must notify DCP, in writing, as soon as possible after starting any emergency repair.

If the remodel, relocation, upgrade, or repair requires sterile recertification under the pharmacopeia standards, the pharmacy must provide DCP with a copy of the recertification within five days after recertification approval. An independent licensed environmental monitoring entity must perform the recertification.

Reporting Requirements

The act requires sterile compounding pharmacies to give DCP a written report of any known violation or noncompliance with viable and nonviable environmental sampling testing, as defined by pharmacopeia standards, by the end of the next business day after discovery. A sampling test measures the number of particles and microorganisms in the air around the compounding area.

Under the act, sterile compounding pharmacies must also report to DCP any administrative or legal action commenced against them by any state or federal agency or accreditation entity within five business days after becoming aware of the action.

A practitioner, hospital, or health care facility that receives sterile pharmaceuticals must report to DCP any (1) dispensing errors or (2) suspected adulterated pharmaceuticals.

Recalls

The act requires sterile compounding pharmacies to notify certain people when they initiate a recall of sterile pharmaceuticals. They must notify (1) each patient or patient caregiver, the prescribing practitioner, and DCP within 24 hours after a recall begins when the pharmaceutical was dispensed as a patient-specific prescription or medical order and (2) each pharmaceutical purchaser, DCP, and the federal Food and Drug Administration (FDA) by the end of the next business day for pharmaceuticals that were not dispensed as a patient-specific prescription or medical order.

Enforcement

By law, the Pharmacy Commission licenses pharmacies and pharmacists. The commission may,

among other administrative sanctions, refuse to authorize or renew a license or assess a maximum civil penalty of \$1,000, if a pharmacy or pharmacist violates any state statute or regulation related to drugs, devices, or pharmacy practice (CGS § 20-579).

§§ 3 & 4 — NONRESIDENT PHARMACY

The act requires nonresident pharmacies to provide additional information to DCP. It also adds grounds for the Pharmacy Commission to deny, revoke, or suspend a nonresident pharmacy's registration.

Additional Required Information

By law, nonresident pharmacies must annually disclose to the Pharmacy Commission, among other things, the location, names, and titles of all principal corporate officers and pharmacists who dispense drugs or devices to Connecticut residents.

The act requires nonresident pharmacies to do all of the following:

1. They must comply with all lawful directions and information requests from DCP and the commission. Under prior law, such pharmacies were only required to comply with requests from the commission. The act eliminates the requirement that pharmacies submit a statement of compliance.
2. The pharmacy must disclose to DCP whether they dispense sterile compounded products in Connecticut and, if the products are not patient-specific, submit a copy of (a) the manufacturing license or registration issued by the appropriate state oversight agency and (b) any FDA registration.
3. They must submit to DCP a copy of their most recent inspection report, based on pharmacopeia standards, conducted by the appropriate state oversight agency, before DCP grants a registration certificate. If the state where the pharmacy is located does not inspect based on pharmacopeia standards, the pharmacy must still prove that it complies with the standards.
4. The pharmacy must provide, at all times, a toll-free telephone number for Connecticut patients to speak with a pharmacist at the nonresident pharmacy who has access to the patient's records. Prior law only required the production of such a number during regular business hours, for at least six days a week and 40 hours. By law, the toll-free number must be affixed on the label of each drug container dispensed to Connecticut patients.

5. The pharmacy must (a) notify DCP within 10 business days if they have been disciplined by, or received a written advisement or warning from, any federal or state regulatory agency or accreditation body and (b) provide DCP with the names and addresses of all state residents to whom they delivered legend (prescription) devices or drugs within 24 hours after initiating a recall of such devices or drugs.

Penalties

The act expands the grounds on which the Pharmacy Commission may deny, revoke, or suspend a nonresident pharmacy's registration certificate to include:

1. failing to comply with any pharmacy and dependency-producing drug law;
2. failing to comply with any federal or state law or regulation concerning drugs or the practice of pharmacy;
3. delivering adulterated or misbranded legend drugs or devices into the state in violation of the state Uniform Food, Drug, and Cosmetic Act; or
4. any disciplinary action taken by any state or federal agency.

Prior law allowed the commission to take these disciplinary actions only when a nonresident pharmacy failed to comply with laws governing registration; shipping, mailing, or delivering legend devices or drugs; or advertising without a certification of registration.

The act eliminates a requirement that the commission must refer a nonresident pharmacy's conduct that causes serious bodily or psychological injury to a Connecticut resident to the appropriate out-of-state oversight agency. Prior law required such referral before the commission could deny, revoke, or suspend a nonresident pharmacy's registration certificate.

§ 5 — DRUG MANUFACTURERS

The act requires sterile compounding pharmacies that dispense sterile pharmaceuticals without a prescription or patient-specific order to register with DCP as drug manufacturers regardless of whether their principal place of business is in Connecticut. By law, out-of-state manufacturers that do not compound are exempt from registering. The registration fee is between \$285 and \$940, depending on the number of pharmacists or qualified chemists the pharmacies employ.

The act also specifically requires manufacturers to comply with applicable federal, state, and local statutes, regulations, and ordinances, including laws on controlled substances and drug product salvaging or reprocessing. Prior law required only wholesalers to comply with these requirements.

By law, anyone who violates the manufacturing requirements is subject to a maximum fine of \$500, six months' imprisonment, or both. The commissioner may suspend, revoke, or refuse to renew a registration; issue a reprimand letter; or place a registrant on probation for:

1. furnishing false or fraudulent information on documents filed with the commissioner;
2. any criminal conviction concerning drugs;
3. any drug-related suspension, revocation, other restriction, or penalty issued against the registrant;
4. failing to protect against the diversion, theft, and loss of drugs; or
5. violating any federal or state drug law or regulation.

§§ 6-8 — COUNTERFEIT DRUGS OR DEVICES

The act prohibits anyone from knowingly purchasing for resale, selling, offering for sale, or delivering a counterfeit drug or device.

Under the act, a "counterfeit drug or device" is a drug or device, or its container or label, that without authorization, (1) bears the trademark, trade name, or other identifying mark, imprint, number or device, or likeness of a manufacturer, distributor, or dispenser other than the person who manufactured, distributed, or dispensed the substance and (2) falsely claims or represents the drug or substance to have been distributed by the other manufacturer, distributor, or dispenser.

The state Uniform Food, Drug and Cosmetic Act already prohibits, among other things, the sale of counterfeit or misbranded drugs. The act allows the DCP commissioner to adopt regulations to implement its provisions.

Investigatory and Hearing Authority

Under the act, DCP must investigate possible counterfeit drug or device violations and may hold hearings. As part of any investigation or hearing, the commissioner (or his agent, for investigations) may administer oaths; issue subpoenas; compel testimony; and order the production of books, records, and documents. If anyone refuses to appear; testify; or produce any book, record, or document, a Superior Court judge may issue an order compelling compliance. The hearing must be conducted in accordance with the Uniform Administrative Procedure Act.

Penalties

The act subjects violators to a maximum fine of \$10,000, one year imprisonment, or both, for each violation.

The act allows the DCP commissioner to take the following actions against anyone who knowingly purchases for resale, sells, offers for sale, or delivers a counterfeit drug or device in violation of the act's provisions:

1. suspend, revoke, refuse to renew, or place on probation a DCP license or registration;
2. assess up to a \$1,000 civil penalty for each violation;
3. issue a cease and desist order; or
4. issue an order of restitution.

Repealed Section

The act repeals prior law's counterfeit substance ban, which did not have penalties or an enforcement procedure. The ban prohibited anyone from knowingly possessing, purchasing, trading, selling, or transferring a controlled substance that bore the trademark, trade name, or other identifying mark, imprint, number, or device of a manufacturer, distributor, or dispenser other than the person who manufactured, distributed, or dispensed the substance. Controlled substances included drugs, substances, or an immediate precursor in schedules I to V of the Connecticut controlled substance scheduling regulations, and not alcohol, nicotine, or caffeine.

§ 1 — “DISPENSE AS WRITTEN” PRESCRIPTIONS

The act creates new requirements for prescribing practitioners and pharmacists when dispensing brand name drugs for which generic drugs cannot be substituted.

Under prior law, the practitioner had to write the phrase “BRAND MEDICALLY NECESSARY” on the prescription form or on an electronic copy of the form. If the prescription was ordered by telephone or electronically and the form did not reproduce the practitioner's handwriting, then a statement to that effect still had to be on the form. The phrase “BRAND MEDICALLY NECESSARY” could not be preprinted, stamped, or initialed on the form. The act specifies that no prescription may default to “brand medically necessary” or “no substitution.”

Written Prescriptions

For written prescriptions, the act requires the prescribing practitioner to indicate on the prescription form that the product is “brand medically necessary” or “no substitution.”

Telephonic Prescriptions

For telephoned prescriptions, the act requires the pharmacist to write “brand medically necessary” or “no substitution” on the prescription or enter it in the electronic prescription record. The pharmacist must also record on the prescription the (1) time the telephone prescription was received and (2) name of the person who ordered the prescription.

Electronic Prescriptions

For electronic prescriptions, the act requires the prescribing practitioner to select the “dispense as written” code.

Medicaid Prescriptions

The act also eliminates the specific Medicaid “dispense as written” prescription requirements from the consumer protection statutes. (CGS § 17b-274, as amended by PA 14-158, imposes substantially similar prescription requirements in the human services statutes.)

BACKGROUND

Prohibitions Concerning Counterfeit or Misbranded Drugs

Among other things, the state Uniform Food, Drug and Cosmetic Act prohibits:

1. selling misbranded drugs in intrastate commerce;
2. forging or counterfeiting any mark, label, or other identification required by state or federal regulations to be on a drug;
3. placing any trademark, trade name, identifying mark, or any likeness thereof, on another drug or its container, with intent to defraud;
4. selling, dispensing, disposing of, concealing, or keeping any drug with intent to sell, dispense, or dispose of, with knowledge that a trademark, trade name, other identifying mark, or any likeness of it, was illegally placed on the drug; or

5. making, selling, disposing of, keeping, or concealing any printing technology or tool designed to print a trademark, trade name, other identifying mark, or any likeness of it, on any drug, with intent to defraud (CGS § 21a-93).

Violating any of these prohibitions is generally punishable by up to six months in prison, a fine of up to \$500, or both. A subsequent violation or a violation committed with intent to defraud or mislead is punishable by up to one year in prison, a fine of up to \$1,000, or both (CGS § 21a-95).

Related Act

PA 14-158 imposes substantially similar prescription requirements as the act on practitioners who prescribe “dispense as written” drugs to medical assistance (i.e., Medicaid) recipients.

PA 14-4—SB 95

Government Administration and Elections Committee

**AN ACT CONCERNING THE MEMBERSHIP
AND NAME OF THE ADVISORY COUNCIL TO
THE SUPERIOR COURT ON HOUSING SESSION**

SUMMARY: This act renames the Advisory Council to the Superior Court Housing Session as the Connecticut Advisory Council on Housing Matters. It increases the council's membership from 12 to 18 by increasing, from three to five, the number of members who must reside in the judicial districts of (1) Hartford or New Britain; (2) New Haven, Waterbury, or Ansonia-Milford; and (3) Fairfield or Stamford-Norwalk. The number of members who must reside in the judicial districts of Danbury, Litchfield, Middlesex, New London, Tolland, or Windham, remains unchanged at three.

By law, the council reviews housing docket proceedings and makes recommendations concerning housing matters to the chief court administrator, housing court judges, and General Assembly. The governor appoints members to four-year terms. The council must (1) consist of representatives of landlords, tenants, and others concerned with housing and (2) reflect a balance between landlord and tenant interests.

The act also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2014

PA 14-23—SB 92

Government Administration and Elections Committee

**AN ACT PERMITTING THE JOINT
COMMITTEE ON LEGISLATIVE
MANAGEMENT TO PURCHASE CERTAIN
GOODS AND SERVICES USING EXISTING
CONTRACTS**

SUMMARY: This act allows the Legislative Management Committee, when it serves the state's best interest, to make certain purchases from vendors with existing sales contracts with other states, Connecticut political subdivisions, nonprofit organizations, or public consortia, subject to the same contract terms and conditions as the other entities. The purchases include equipment, supplies, materials, information and telecommunication systems, and services. The act specifies that such purchases do not waive any rights or protections that the legislature has under the General Statutes.

Under existing law, the committee can join with other government entities and nonprofit organizations to make cooperative purchases in the best interest of the

state. However, the committee previously lacked express authority to make purchases pursuant to an existing contract.

EFFECTIVE DATE: Upon passage

PA 14-34—sHB 5125

Government Administration and Elections Committee

**AN ACT LIMITING ACCESS TO CERTAIN
INFORMATION REGARDING PROBATION
OFFICERS UNDER THE FREEDOM OF
INFORMATION ACT**

SUMMARY: This act exempts from disclosure under the Freedom of Information Act (FOIA) personal information about current and former probation officers employed by the Judicial Branch to people under (1) Department of Correction custody or supervision for violating probation or (2) the supervision of the Court Support Services Division. The act applies to personal information not related to the officer's duties or employment, including his or her (1) date of birth; (2) Social Security number; (3) current and former e-mail addresses, telephone numbers, and home addresses; (4) photographs; and (5) driver's license information.

Under existing law, unless specifically exempted, public employees' personnel, medical, and similar files are subject to disclosure under FOIA unless disclosure would constitute an invasion of personal privacy (CGS § 1-210(b)(2)). Under case law, disclosing these files is an invasion of privacy if the (1) records are not of legitimate public concern and (2) information in the files would be highly offensive to a reasonable person (*Perkins v. FOIC*, 228 Conn. 158 (1993)).

EFFECTIVE DATE: July 1, 2014

PA 14-78—SB 455

*Government Administration and Elections Committee
Finance, Revenue and Bonding Committee*

**AN ACT CONCERNING THE CITIZENS'
ELECTION FUND**

SUMMARY: By law, grants to candidates participating in the Citizens' Election Program (CEP) are made from the Citizens' Election Fund (CEF). The CEF is mostly funded by proceeds from the state's sale of abandoned property that escheats (reverts) to it (see BACKGROUND).

This act requires revenue from the corporation business tax to be deposited into the CEF if, during an election cycle, there are insufficient funds to cover grants to qualified CEP candidates. Whenever tax revenues are deposited in the CEF for this purpose, the

act requires that an amount equal to the aggregate deposits be deducted from the escheats deposited into the CEF the following fiscal year.

The act also (1) eliminates prior law's procedure for addressing insufficient grant funds, (2) allows the State Elections Enforcement Commission (SEEC) to use funds in the CEF's reserve account if the CEF is insufficient, and (3) makes technical changes.

EFFECTIVE DATE: Upon passage and applicable to primaries or elections held on or after that date.

PROCEDURE FOR ADDRESSING INSUFFICIENT CEF FUNDS

By law, SEEC must determine, by January 1 in a state election year, whether there is enough money in the CEF to provide grants to CEP candidates. Under prior law, if SEEC determined that there were insufficient CEF funds to fully cover the grants, it had three days to recalculate the amount of money qualified candidates could receive, on a proportionate basis, and notify them. After the candidates received their share of money from the fund, they could (1) accept contributions that were not subject to qualifying contribution limits and restrictions and (2) spend as much as a nonparticipating opponent could spend.

The act eliminates this procedure and instead requires that revenue from the corporation business tax be deposited into the CEF if, during an election cycle, there are insufficient funds in the CEF to cover grants to qualified CEP candidates. The deposit must equal the amount of the insufficiency. It appears that this determination can be made at any point during the election cycle, but the act does not specify what agency makes the determination. The act also requires that an amount equal to the total tax revenue deposit be deducted from the escheats that are deposited into the CEF the following fiscal year. By law, the amount of escheats deposited into the CEF in a fiscal year equals the amount deposited in the preceding year, plus an adjustment for inflation.

The act makes a conforming change concerning the use of funds in the CEF reserve account. Under prior law, SEEC could use the reserve account only during the seven days before a primary or election for payments to candidates whose grants were reduced. The act instead allows SEEC to use the reserve account during this time if the CEF has insufficient funds to cover CEP grant payments.

BACKGROUND

CEF

The CEF is funded mostly by a statutorily determined amount of proceeds from the sale of abandoned property that escheats to the state. If there

are not enough proceeds from escheated property in a fiscal year to cover the required annual deposit, corporation business tax revenues must be deposited into the fund to cover the shortfall. The fund may also receive voluntary contributions, surplus donations from candidate committees, and proceeds from its investment earnings. The state treasurer administers the fund, which is a separate, nonlapsing account in the General Fund.

PA 14-112—SB 271

Government Administration and Elections Committee

AN ACT CONCERNING THE STATE'S AUTHORITY TO PURCHASE AND TO RECEIVE DONATIONS OF REAL PROPERTY

SUMMARY: This act makes several minor changes to the laws on certain property acquisitions by the state. It allows the state, through the Department of Administrative Services (DAS) and with the governor's and Office of Policy and Management (OPM) secretary's approval, to accept real property, interests in real property, and other rights in land or water or interests in such rights by gift, devise, or exchange.

Under existing law, the state cannot acquire land by gift without the attorney general's approval. The act specifies that this prohibition includes devises or exchanges of real property, interests in real property, and other rights in land or water or interests in such rights. It also specifies that the attorney general's review is limited to legal sufficiency. It retains an existing provision that allows the state treasurer, without approval by another official, to accept gifts or devises of land to be used by the state Military Department.

The act allows the DAS commissioner to purchase or acquire real property, interests in real property, and other rights in land or water or interests in such rights on behalf of any state agency not itself authorized to make the purchase or acquisition. Under prior law, DAS could undertake these actions only (1) on behalf of trustees of state institutions, the State Board of Education (SBE), and the correction commissioner and (2) when the legislature was not in session. By law, the OPM secretary, attorney general, and State Properties Review Board (SPRB) must approve these purchases and acquisitions.

By law, DAS may also, with SPRB's approval, give or obtain an option on any land or interest not under the control of trustees of state institutions, SBE, or the correction commissioner. The act eliminates provisions that (1) limited this authority to periods when the legislature was not in session and (2) set a deadline for exercising this option of August 15 following the next legislative session.

The act also makes technical changes.
EFFECTIVE DATE: Upon passage

PA 14-182—sHB 5547

Government Administration and Elections Committee

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL REVISIONS TO THE GOVERNMENT ADMINISTRATION AND ELECTIONS STATUTES

SUMMARY: This act makes technical and grammatical changes to the government administration and elections statutes.

EFFECTIVE DATE: Upon passage

PA 14-187—sHB 5049

Government Administration and Elections Committee

AN ACT ELIMINATING UNNECESSARY GOVERNMENT REGULATION

SUMMARY: This act makes numerous changes to the Uniform Administrative Procedure Act (UAPA), which, among other things, governs the process for adopting state agency regulations. These changes affect (1) the eRegulations System (the electronic regulation compilation), (2) notices of proposed regulations, (3) the regulation-making record, (4) procedural requirements for approved regulations, and (5) required information concerning regulations not included in the eRegulations System. It allows the secretary of the state, within available appropriations, to publish a register of regulatory activity.

The act eliminates several requirements for the Department of Children and Families (DCF) to adopt regulations. In some cases, it requires the department to adopt policies rather than regulations. It also makes changes affecting (1) returns to DCF placement after parole, (2) fitness and security risk evaluations of juvenile delinquents, (3) residential mental health facility placements, (4) permanency plan goals, and (5) the adoption photo-listing and central registry. The act also makes minor changes to certain publication requirements for the aging and social services departments.

The act eliminates (1) requirements for several different agencies to adopt certain regulations and (2) the State Board of Education's authority to set fees for certain exams. It makes additional changes affecting (1) fire extinguisher regulations, (2) motor vehicle (a) sale orders and invoices and (b) regulations for safety standards, (3) banking department regulations, and (4)

qualified public depositories.

Under the UAPA, a regulation cannot be repealed without approval by the (1) attorney general for legal sufficiency and (2) Regulation Review Committee. The act, notwithstanding these provisions, repeals numerous state agency regulations. Additionally, the act repeals several statutory provisions that affect various state agencies.

The act also makes several technical and conforming changes.

EFFECTIVE DATE: Upon passage, except where noted below. Additionally, one technical change (§ 37) is effective October 1, 2014.

§§ 1-9, 29, & 53 — UAPA CHANGES

§§ 8, 29, & 53 — *eRegulations System*

By law, the eRegulations System is an unofficial version of state agency regulations until the time that the secretary of the state certifies, in writing, that the system is technologically sufficient to be the official version (i.e., the "certification date"). The act eliminates a requirement that she make this certification by October 1, 2014. As part of this certification, the act requires the secretary to also certify that the system is technologically sufficient to be the electronic repository for agencies' regulation-making records.

The act requires the secretary, by October 1, 2014, to update the official compilation of the regulations of Connecticut state agencies posted on the eRegulations System to comply with the (1) act's repeal of agency regulations (see § 54) and (2) UAPA. It requires the secretary to update the compilation at least monthly and specifies that the compilation may be a revision of the most current compilation published by the Commission of Official Legal Publications.

The act specifies that, before the certification date, (1) agencies must post proposed regulations and the regulation-making record on their websites and (2) the secretary must post a link to the proposed regulation or record on her website.

EFFECTIVE DATE: Upon passage, except for the requirements for the secretary's certification and monthly updates, which are effective October 1, 2014.

§ 2 — *Notices of Proposed Regulations*

Under prior law, an agency's notice of intent to adopt regulations had to include either a statement of a proposed regulation's terms or substance, or a detailed description of the issues and subjects sufficient to apprise people likely to be affected. The act eliminates the agencies' discretion and instead requires them to post (1) a sufficiently detailed description and (2) the proposed regulation.

The act requires the notice to include a specified comment period of at least 30 days. It eliminates an agency's authority to charge a fee for paper copies of (1) notices of regulation-making proceedings and (2) proposed regulations. It also delays, from October 1, 2014 until the certification date, a requirement that agencies post on the eRegulations System (1) regulation-related documents that accompany the notice of proposed regulations and (2) written submissions from the public.

By law, an agency must post on the eRegulations System a notice that states whether the agency has decided to move forward with a proposed regulation. It must also send notice to anyone who submitted written or oral statements and who requested notification. The act eliminates a requirement that the notice be posted and provided at least 20 days before the proposed regulation is submitted to the Regulation Review Committee. It instead requires agencies to post the notice after the close of the public comment period and before submitting the regulation to the attorney general. It specifies that the agency must send a notice to anyone who provided comment, not only those who requested notification. The notice must be electronic, except that the agency must send a paper copy of the notice to people who submitted comments in non-electronic form.

By law, any agency that fails to post notice of intent to adopt required regulations by the applicable deadline must explain its reasons in an electronic statement to the governor, legislative committee of cognizance, and Regulation Review Committee. Under prior law, the agency also had to post this statement on the eRegulations System on and after October 1, 2014. The act instead requires the agency to do so on and after the certification date.

EFFECTIVE DATE: October 1, 2014, and applicable to regulations noticed on and after that date.

§§ 1, 3, & 4 — Regulation-Making Record

By law, agencies must create an official regulation-making record that includes, among other things, (1) the notice of intent to adopt regulations, (2) written analyses on which the regulation is based, (3) submissions and comments received by the agency, and (4) official documents related to the regulation. The act specifies that the regulation-making record includes any other documents created, received, or considered by an agency during the regulation-making process. It also requires that the record include the attorney general's approval of a proposed regulation.

Under prior law, the regulation-making record had to be retained on the eRegulations System beginning October 1, 2014. The act delays this requirement until the certification date. Until this date, the agency itself

must continue maintaining the regulation-making record and make it available to the public.

The act requires an agency that determines it is impractical or inappropriate to display any part of the record on the eRegulations System to post a description of the omitted part and maintain a copy of it readily available for public inspection at its principal office.

EFFECTIVE DATE: October 1, 2014, and applicable to regulations noticed on and after that date, except for the provision requiring the inclusion of additional documents in the regulation-making record, which is effective upon passage.

§§ 2, 4, & 5 — Originals of Proposed Regulations

The act eliminates requirements that agencies submit an original of a proposed regulation to (1) the attorney general and (2) the Regulation Review Committee. It similarly eliminates a requirement that agencies submit to the committee an original of a proposed emergency regulation. Agencies must continue to submit electronic copies of proposed regulations to the attorney general and committee.

EFFECTIVE DATE: October 1, 2014, and applicable to regulations noticed on and after that date.

§ 6 — Approved Regulations

By law, once the Regulation Review Committee approves a regulation, the agency must submit it to the secretary of the state, together with a statement from the agency head certifying that the electronic version is a true and accurate copy of the approved regulation. The act allows a duly authorized deputy department head to make this certification.

The act also extends, from five to 10 calendar days after submission by the agency, the time within which the secretary of the state must post regulations on the eRegulations System.

By law, certain emergency regulations are effective immediately upon submission to the secretary. The agency must take appropriate measures to make the regulations known to affected people. The act eliminates a requirement that these measures include the agency's posting of the emergency regulations on the eRegulations System.

EFFECTIVE DATE: October 1, 2014, and applicable to regulations noticed on and after that date.

§ 7 — Omitted Regulations

By law, certain regulations that are incorporated by reference into a Connecticut regulation may be omitted from publication on the eRegulations System. Prior law required the secretary, beginning October 1, 2014, to (1) post on the eRegulations System a notice identifying an omitted regulation, its subject matter, and information

on where one could obtain a copy of it and (2) keep this information current and updated at least quarterly.

The act eliminates these requirements and instead allows the secretary to post on the eRegulations System a link, which is not part of the regulation, to electronic copies of any document incorporated by reference in a Connecticut regulation. She may do so if the document is available and its publication is not prohibited by any state or federal law, rule, or regulation. The act also requires agencies to maintain a copy of such a document at their offices and make it available for public inspection, unless it is a regulation of a federal agency or another state that is published by or otherwise available in printed or electronic form from that agency.

EFFECTIVE DATE: October 1, 2014

§ 9 — Register of Regulatory Activity

The act allows the secretary of the state, within available appropriations, to periodically publish a register of regulatory activity, including the text of notices of intent to adopt regulations posted on the eRegulations System. If she produces the register electronically, she must post it on the eRegulations System. If she produces printed copies, she may charge a fee that she judges to be sufficient to cover the cost to print and mail the register. The act allows her to distribute, free of charge, a sufficient number of printed copies to (1) the State Library for distribution to depository libraries and (2) the chief court administrator for distribution to law libraries.

§§ 10-20 — DEPARTMENT OF CHILDREN AND FAMILIES

Regulation Changes

The act eliminates requirements that DCF adopt regulations establishing:

1. permanency plan standards (i.e., a plan stating what permanent outcome DCF believes is in a child's best interest and the facts on which the decision is based) (§ 18) and
2. a staggered schedule for renewing DCF licenses for child-care facilities and child-placement agencies (§ 20).

It requires DCF to adopt policies, instead of regulations, for (1) standard leave and release policies for delinquent children committed to the department (§ 11) and (2) operating schools and employing teachers in the department's Unified School District #2 (§ 14).

It also requires DCF to adopt procedures, instead of regulations:

1. for its adoption photo-listing service (§ 15);

2. that the commissioner finds necessary and proper to assure the adequate care, health, and safety of children in department custody (§ 16); and
3. to monitor the progress of children and families referred to a community provider through the department's family assessment response program (§ 17).

By law, under the family assessment response program, when DCF receives a report of child abuse or neglect, it can refer the matter to appropriate community providers for family assessment and services either (1) when it decides not to investigate a case that it classifies as presenting a lower safety risk or, (2) if it decides to investigate, at any time during the investigation.

The act additionally repeals a provision allowing DCF, in consultation with the Department of Social Services (DSS), to adopt regulations to develop and implement individual service plans for children with complex behavioral health service needs (§ 19).

§ 10 — Return to DCF Placement After Parole

The act expands the circumstances in which DCF may return a paroled child to DCF placement to include a child's violation of an aftercare condition. (Aftercare services include continued counseling, guidance, or support for up to six months following a child's return from out-of-home placement.) By law, DCF may return a paroled child to placement if the commissioner deems the return to be in the child's best interest. The act also provides a paroled child with the right to a hearing up to 30 days after returning to placement in either case.

§ 11 — Fitness and Security Risk Evaluation

The law requires DCF to perform an initial fitness and security risk evaluation of a juvenile delinquent committed to the department before allowing him or her to go on leave. The act shortens the mandatory evaluation period from 60 days to between 30 and 60 days.

Prior law allowed the commissioner to waive the 60-day evaluation requirement for a juvenile delinquent who was transferred from one facility to another if the juvenile had already had a satisfactory 60-day evaluation. The act makes conforming changes by eliminating references to the 60-day evaluation.

§ 12 — Residential Mental Health Facility Placement

The act eliminates the requirement that the DCF commissioner or her designee provide a hearing to a child or youth in DCF custody before placing him or her in, or transferring him or her to, a department-operated residential mental health facility. Prior law required DCF to provide such a hearing unless the court ordered

the child or youth to be placed in the facility when he or she was committed to the department. By eliminating the hearing requirement, the act also eliminates the right under the UAPA to appeal such a hearing's outcome to Superior Court.

Existing law establishes procedures for the involuntary commitment of children and adults (age 16 and older) with psychiatric disabilities who are dangerous to themselves or others, either (1) by health professionals on a temporary, emergency basis or (2) by a probate court following a hearing and medical evaluations (see BACKGROUND).

§ 13 — *Permanency Plan Goals*

By law, DCF must prepare and maintain a permanency plan for every child under its supervision. The plan states what permanent outcome DCF believes is in the child's best interest and the facts on which it bases its decision. The act makes certain changes to the list of allowable permanency plan goals. Specifically, it:

1. requires DCF to identify a person who will provide care, if the goal is long-term foster care, and
2. eliminates independent living from the list, but allows DCF to set as a goal another planned permanent living arrangement other than parent reunification, long-term foster care, guardianship transfer, or adoption.

§§ 15 & 18 — *Adoption Photo-Listing and Central Registry*

The act eliminates a requirement that DCF, within available appropriations, establish, maintain, and distribute a photo-listing service book of children available for adoption. Existing law requires DCF to contract with a nonprofit agency to establish and maintain the service in electronic format.

The act also eliminates a requirement that DCF, within available appropriations, establish and maintain a (1) central registry of all children with permanency plans that recommend adoption and (2) system to monitor the progress of implementing these plans.

§ 21 — DSS

Under prior law, DSS had to post its medical services and public assistance manuals on its website until October 1, 2014, after which it instead had to post these manuals and updates to them on the eRegulations System. The act eliminates the requirement that they be published on the eRegulations System. It instead requires (1) DSS to continue publishing the manuals online as under prior law and (2) the eRegulations System to link to the manuals.

EFFECTIVE DATE: October 1, 2014

§ 22 — AGING DEPARTMENT

PA 13-274, effective October 1, 2014, eliminates DSS's community services policy manual and instead requires the Aging Department to adopt regulations to carry out the purposes of the federal Older Americans Act of 1965. It also extends to the Aging Department DSS's authority to operate under a policy before adopting it in regulation form. These provisions conform to the transfer of DSS's Aging Services Division to the Aging Department.

The act changes the effective date of these provisions from October 1, 2014 to upon passage (June 11, 2014). It also requires the Aging Department to (1) post on its website a policy it intends to adopt in regulation form and (2) submit the policy to the secretary of the state for posting online no later than 20 days after adopting it. By law, the department must post these policies on the eRegulations System beginning October 1, 2014.

EFFECTIVE DATE: Upon passage and effective until September 30, 2014.

§§ 24 & 43 — FIRE EXTINGUISHER REGULATIONS IN THE FIRE PREVENTION CODE

The act requires the state fire marshal to incorporate in the State Fire Prevention Code regulations on (1) the requirements and specifications for installing and using fire extinguishers and extinguishing agents and (2) automatic fire extinguishing systems in hotels or motels that (a) have at least six guest rooms and accommodations for more than 16 people and (b) received a new building permit on or after July 1, 1987. By law, the (1) administrative services commissioner must adopt the regulations and (2) fire marshal, in coordination with an advisory committee, adopts and administers the code.

§§ 25-28, 45, & 46 — ELIMINATED REGULATION ADOPTION REQUIREMENTS

The act eliminates requirements for several different commissioners or agencies to adopt certain regulations. Table 1 shows each commissioner or agency and the topic of the affected regulation.

Table 1: Eliminated Regulation Adoption Requirements

| Section | Commissioner/ Agency | Regulation Topics |
|---------|-------------------------|---|
| 25 | Administrative Services | Volunteer service as partial fulfillment of training and experience requirements for state employment |
| 26 | Public Health | Distribution of funds from the Breast Cancer Research and Education; Organ Transplant; AIDS Research Education; Endangered Species, Natural Area Preserves and Watchable Wildlife; and Safety Net Services accounts |
| 27 | Each state agency | A description of its organization, how it operates, and how the public can get information or make requests or submissions |
| 28 | Transportation | Establish commuter and traffic management programs, including (1) establishing criteria for awarding grants to municipalities, transit districts, or rideshare entities that develop traffic management plans and (2) notifying them of available funds |
| 45 | Administrative Services | Appointing qualified people in a class in which the incumbent serves for no more than three years as part of an established training program (regulation adoption was permissive) |
| 46 | Administrative Services | Agreements between educational institutions and state agencies for state employee training courses |

§ 28 — TRANSPORTATION MANAGEMENT PLANS

The act eliminates obsolete provisions that (1) established a task force to develop transportation management plans that comply with the federal Clean Air Act and (2) allowed the Department of Transportation (DOT) commissioner to award grants to municipalities, transit districts, or rideshare entities that develop plans that meet the state’s objectives.

§ 38 — ORDER AND INVOICE ON MOTOR VEHICLE SALE

The law requires for each motor vehicle sale an (1) order signed by the buyer and seller, a copy of which

must be given to the buyer on execution, and (2) invoice on delivery of the vehicle. It requires that, for sales of guaranteed motor vehicles, the sales order and invoice include the phrase “this motor vehicle is guaranteed,” followed by the guarantee’s terms. The act requires that these terms include the (1) guarantee’s duration or (2) number of miles for which the guarantee is in effect.

EFFECTIVE DATE: July 1, 2014

§§ 39-41 — CONFORMING STATE MOTOR VEHICLE LAW TO FEDERAL LAW AND REGULATIONS

The act eliminates, in statutes governing motor vehicle braking systems, motorcycle helmets, and tires, provisions requiring the Department of Motor Vehicles (DMV) commissioner to adopt safety standards by regulation, and instead requires (1) certain motor vehicle operators to use braking equipment that meets federal safety standards and (2) motorcycle operators and passengers younger than age 18 to wear motorcycle helmets that meet federal safety standards. In the case of tires, it requires passenger motor vehicle operators to comply with federal passenger tire regulations, and commercial motor vehicle operators to comply with state regulations incorporating federal safety requirements for these vehicles.

EFFECTIVE DATE: July 1, 2014

§ 39 — Braking Systems

Prior law barred people from driving a vehicle with a gross vehicle weight of 10,000 pounds or more unless the vehicle’s braking system met state safety standards established in regulation. The act instead prohibits people from driving such a vehicle unless the braking system meets federal safety standards, as amended (49 CFR § 393), and also applies this prohibition to vehicles with a gross vehicle weight rating of 10,000 pounds or more. The gross vehicle weight is the vehicle’s actual weight; the gross vehicle weight rating is the vehicle’s maximum allowed weight, which can be more.

Prior law imposed a fine of between \$250 and \$500 on people who drove a vehicle with a gross vehicle weight of 10,000 or more pounds if the braking system had a severe defect or defects. The act instead imposes such a fine on drivers of the above vehicles if the braking systems do not meet the federal standard.

§ 40 — Tires

The act eliminates a requirement that DMV adopt safety standards for tires and instead requires people to drive motor vehicles or trailers on public highways with tires, in safe operating condition, that meet (1) federal tire safety standards for passenger vehicles, as amended (49 CFR § 571.109), and (2) if applicable, the state

statute applying to commercial motor vehicles (large trucks and buses) (CGS § 14-163c). The DMV commissioner has adopted regulations under this statute that incorporate by reference federal motor carrier safety regulations for these vehicles, including those for tires (Conn. Agencies Regs. § 14-163c-1 et seq.). As under prior law, violators commit an infraction. The act also eliminates an exemption for (1) self-propelled combines, (2) self-propelled corn and hay harvesting machines, and (3) tractors used exclusively in agriculture.

§ 41 — *Motorcycle Helmets*

The law requires anyone under age 18 to wear a motorcycle helmet meeting state safety standards when he or she is (1) operating a motorcycle or motor-driven cycle or (2) riding as a motorcycle passenger. The act eliminates the requirement that DMV develop such safety standards and instead requires these operators and passengers to wear protective headgear meeting federal motorcycle helmet regulations, as amended (49 CFR § 571.218). As under prior law, a violation is an infraction carrying a minimum fine of \$90. A motor-driven cycle is a motorcycle, motor scooter, or bicycle with an attached motor, with a seat at least 26 inches high and a motor displacing fewer than 50 cubic centimeters (CGS § 14-1 (52)).

§ 42 — EXAM FEES

The act eliminates the State Board of Education's authority to set fees for the board-administered competency examination, the subject area assessment, and the professional knowledge clinical assessment. Under prior law, the fee had to be at least \$75 for the competency examination and elementary level subject area assessment. The act also eliminates the education commissioner's authority to waive fees due to a candidate's inability to pay. In practice, the test vendors set the fees.

§ 44 — PARKING ON STATE PROPERTY

The act allows the Department of Administrative Services (DAS) commissioner to adopt policies and procedures, rather than regulations, for maintaining order on and using parking areas on certain property owned by the state or supervised by the commissioner. Prior law (1) imposed a \$75 fine on people who violated the regulations and (2) allowed their vehicles to be towed. The act instead applies these penalties to people who violate the policies and procedures.

§§ 47 & 48 — BANKING DEPARTMENT REGULATIONS

By law, an out-of-state bank that (1) merges or consolidates with, or acquires the assets of, a Connecticut bank or (2) establishes a new branch in Connecticut, is subject to the banking commissioner's supervision and examination. The act eliminates a requirement that the commissioner exercise this authority in accordance with regulations he adopted. (Section 54 of this act repeals these regulations.)

The act allows, rather than requires, the Banking Department to adopt regulations to administer the laws governing the protection of public deposits. "Public deposits" are (1) money of the state or its subdivisions, or any commission, committee, board, or officer thereof; any housing authority; or any Connecticut court and (2) money held by the Judicial Branch in a fiduciary capacity. Any bank, Connecticut credit union, federal credit union, or an out-of-state bank that maintains a branch in the state that receives or holds public deposits is a "qualified public depository" (CGS § 36a-330).

The act eliminates the requirement that these regulations establish:

1. requirements for financial institutions eligible to serve as trustees for segregated eligible collateral (e.g., U.S. treasury notes used to secure public deposits),
2. requirements for the transfer of eligible collateral from a qualified public depository to a financial institution serving as trustee for this collateral, and
3. provisions governing the valuation of eligible collateral when the market value of such collateral is not readily determinable.

It allows, rather than requires, the regulations to establish (1) requirements for the qualification of financial institutions as qualified public depositories, (2) other terms and conditions under which public deposits may be received and held, and (3) other provisions the commissioner deems necessary to carry out the law.

§§ 49-52 — QUALIFIED PUBLIC DEPOSITORIES

The act repeals numerous regulations on qualified public depositories (see § 54) and instead establishes several of the same provisions in law. It codifies in law a regulation prohibiting financial institutions from accepting a transfer of eligible collateral from a qualified public depository unless the financial institution is (1) legally authorized to exercise fiduciary powers in Connecticut and (2) federally insured or receives the commissioner's approval. If a financial institution ceases to meet these requirements, it must immediately notify the depository and the commissioner, who must then instruct the institution on

how to deal with the eligible collateral.

The act also codifies regulations that require qualified public depositories to:

1. enter into a written trust agreement with the financial institution, federal reserve bank, or federal home loan bank serving as trustee (the act additionally requires that such an agreement include a statement by the financial institution that it is subject to and will comply with the applicable requirements of state law) and
2. maintain records, including a (a) full report of all public deposits by depositor name and location, account name, account number, amount, and Federal Employer Identification Number and (b) statement for each transfer or designation of eligible collateral showing (i) the par value, description, interest rate, CUSIP number (see BACKGROUND), maturity date, market value, and security rating, where applicable, of the eligible collateral being transferred or designated and (ii) the name of the financial institution, federal reserve bank, or federal home loan bank that serves as the trustee receiving or holding the collateral.

The act additionally codifies regulations prohibiting qualified public depositories from:

1. maintaining eligible collateral in their own trust departments unless they are authorized by law to exercise fiduciary powers in Connecticut or
2. charging costs, fees, or expenses incidental to the transfer or maintenance of eligible collateral against the required amount of eligible collateral.

Finally, the act codifies a regulation prohibiting any depository that ceases or no longer wishes to be a qualified public depository from receiving additional public deposits. In such a case, the depository must immediately notify the commissioner, who must instruct it on the procedures for returning public deposits and eligible collateral.

§ 54 — REPEALED REGULATIONS

Under the UAPA, a regulation cannot be repealed without approval by the (1) attorney general for legal sufficiency and (2) Regulation Review Committee. The act, notwithstanding these provisions, repeals numerous state agency regulations, as shown in Table 2. In some cases, not all regulations pertaining to a particular subject are repealed.

Table 2: Repealed Regulations

| <i>Regulation Citation</i> | <i>Agency</i> | <i>Subject</i> |
|---|---|---|
| 4-23a-1 to 4-23a-22 | DAS | Description of organization and rules of practice |
| 4-66-1 to 4-66-7 | Office of Policy and Management (OPM) | Employment and training opportunities for women in Connecticut's workforce |
| 4-68a-1 to 4-68a-23 | DAS | Uniform contribution scale, manner of determination, and waiver (pertained to repaying public assistance) |
| 4-133-1 to 4-133-11 | DAS | Parking areas on the State Capitol and state office building grounds |
| 4b-1-1 to 4b-1-30 | DAS | Description of organization and rules of practice (applied to the former Department of Public Works) |
| 5-9-22(b) | DAS | Procedures for Personnel Appeal Board |
| 5-200(k)-1 to 5-200(k)-4 | DAS | Assignment and termination of state housing |
| 5-200-2 | DAS | Compensation schedule requirements for judicial and legislative branches |
| 5-206-1 | DAS | State employee's opportunity for hearing on reclassification of his or her job to a lower salary group |
| 5-216-1 to 5-216-2 | DAS | State job applicant's waiver of appointment and failure to reply to notification of available position |
| 5-219a-1 to 5-219a-2 | DAS | Volunteer experience as qualification for state employment examination |
| 5-221a-1 to 5-221a-4 | DAS | Appeal rights of candidate rejected for admission to state employment examination |
| 5-225-1 | DAS | Review of state employment examination and release of results |
| 5-230-1(b) | DAS | Probationary work periods upon reappointment to certain classified service positions |
| 5-234-1 | DAS | Designation of classified state positions as training or pre-professional positions for the disadvantaged; exemption from competitive tests |
| 5-245-1 | DAS | Overtime computation |
| 5-249-1 | DAS | Appointing authority may prescribe conditions under which a state employee may respond to fire or ambulance calls as a volunteer |
| 5-265-1 | DAS | Notice to DAS before agency enters agreement for state employee training with third party |
| 6-32c-1 to 6-32c-3 | DAS | Court security officers: Advertising of positions, determining candidate qualifications, and grievance procedure |
| 8-80-1 to 8-80-5 | Department of Housing (DOH) | Housing authorities: Forms for temporary notes, sale notices, purchase proposals, and resolutions authorizing temporary loan notes |
| 8-81a-1 to 8-81a-5 | DOH | Adaptable Housing Pilot Program |
| 8-100-1 to 8-100-8 | DOH | Flood Relief Home Ownership Program |
| 8-203-1 to 8-203-5 | Department of Economic and Community Development (DECD) | Purpose, definitions, description of organization and procedures (applied to former Department of Community Affairs) |
| 8-248A-1 to 8-248E-21, 8-248E-22a to 8-248E-31, & 8-248E-32a to 8-248E-34 | Conn. Housing Finance Authority (CHFA) | Conduct of CHFA affairs, including the Multifamily Housing Program and the Home Mortgage Program |
| 8-289-7 to 8-289-12 | DOH | Down Payment Assistance Program |
| 8-337-1 to 8-337-5 | DOH | Security Deposit Loan Fund |
| 8-395-1 to 8-395-11 | DOH | Tax credits for businesses making contributions to eligible housing programs benefiting low- and moderate-income families |
| 10-145f-2 to 10-145f-3 | State Board of Education | Teacher competency examination fee schedule |
| 10-295-10(c) to 10-295-10(f) | Department of Rehabilitation Services | Local education agency reimbursement conditions for teachers of the visually impaired |
| 10-295-11 | Department of Rehabilitation Services | Disbursement of funding to local education agency for providing services to children who are blind or visually impaired |
| 10a-5-2 | Board of Regents for Higher Education (BOR) | Commissioner of higher education description |

| <i>Regulation Citation</i> | <i>Agency</i> | <i>Subject</i> |
|----------------------------|--------------------------------------|--|
| 10a-5-6 to 10a-5-46 | BOR | Organizational rules of practice, contested cases, declaratory ruling, and resolution of disputes between governing boards |
| 10a-16-1 to 10a-16-5 | BOR | State tuition waivers for needy students |
| 10a-22x-5 | Office of Higher Education | Hearing to determine private occupational school insolvency |
| 10a-25g-1 to 10a-25g-17 | DECD/BOR | High Technology Project and Program Grants, Cooperative Research and Development Grant Program, and Collaborative High Technology Grants |
| 10a-25p-1 to 10a-25p-9 | BOR | High Technology Doctoral Fellowship Program |
| 10a-162a-1 to 10a-162a-7 | BOR | Nursing Scholarship Program |
| 10a-167-1 to 10a-167-7 | BOR | Student financial aid for Vietnam-era veterans |
| 12-2-2a | Department of Revenue Services (DRS) | Conferences and hearings on taxes |
| 12-2-3a | DRS | Procedure for requesting the promulgation, amendment, or repeal of a regulation |
| 12-2-4a | DRS | Petition for declaratory ruling on applicability of statute or regulation |
| 12-2-10 | DRS | Request for disclosure of confidential information |
| 12-242-8 to 12-242-9 | DRS | Changes of accounting period or accounting basis for corporation business tax returns |
| 12-313-18a | DRS | Cigarette tax definitions |
| 12-349-1 | DRS | Succession and transfer taxes: Payments under retirement or pension plans |
| 12-407(2)(i)(BB)-1 | DRS | Enumerated services to other than industrial, commercial, or income-producing real property |
| 12-426-6 | DRS | Circulating libraries as retailers for sales tax purposes |
| 12-430(7)-1 | DRS | Taxation of services to real property by nonresident contractors |
| 12-449-4a | DRS | Alcoholic beverages taxes: Withdrawal from Internal Revenue bonded warehouse |
| 12-449-12a | DRS | Alcoholic beverages taxes: Inventories |
| 12-494-3 | DRS | Real estate conveyance tax returns |
| 12-638-3 | DRS | Neighborhood Assistance Act: Approval or disapproval of program proposal by agency overseeing implementation |
| 12-638-5 | DRS | Proof of expenditures for charitable purposes under Neighborhood Assistance Act |
| 12-700(b)-1 | DRS | Calculation of income tax for nonresidents |
| 12-701(a)(2)-1 | DRS | Defining nonresident for income tax purposes |
| 12-701(a)(20)-1 | DRS | Defining adjusted gross income of a resident for income tax purposes |
| 12-706(c)-1 | DRS | Income tax: Crediting withheld amounts against employees' tax liability |
| 12-708-2 | DRS | Income tax: Change of accounting period |
| 12-711(b)-2 | DRS | Income tax: Income and deductions from Connecticut sources by nonresidents |
| 12-712(a)(1)-1 | DRS | Partnerships and S corporations: Income and deductions of a nonresident partner derived from Connecticut sources |
| 12-714(b)-1 | DRS | Calculation of tax for trust or estate in year with no federal distributable net income |
| 12-717-5 | DRS | Designation of part-year resident taxpayers to whom special accrual rules apply |
| 12-723-2 | DRS | Tax filing extension for certain business entities |
| 12-727(a)-1 | DRS | Requirements for tax filing on magnetic media |

| <i>Regulation Citation</i> | <i>Agency</i> | <i>Subject</i> |
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| 12-740-7 | DRS | Income tax: Returns must be made and filed even if not mailed by DRS |
| 12-740(c)-1 | DRS | Records retention for income tax filings |
| 13a-123d-1 to 13a-123d-3 | Department of Transportation (DOT) | Control of junkyard and scrap metal processing facilities along the federal interstate, primary system, and state highways |
| 13b-34-1a to 13b-34-2a | DOT | Bus fares for Connecticut transit systems |
| 13b-38a-1 to 13b-38a-7 | DOT | Traffic management plans and programs to alleviate traffic congestion with mass transportation |
| 13b-38b-1 to 13b-38b-5 | DOT | Requirements and standards for rideshare organizations' handicapped programs |
| 14-15-2 | Department of Motor Vehicles (DMV) | Requirements of leasing companies to provide a mailing address for registration renewals |
| 14-63-17 | DMV | Sale of motor vehicles: Requirements for guarantees on orders and invoices |
| 14-63-49 | DMV | Prohibition on use of dealer plates by motor vehicle purchaser |
| 14-65d-4 | DMV | Concerning the form for "Waiver of Adverse Estimate" of repairs to a motor vehicle, statutory reference |
| 14-80h-1 to 14-80h-8 | DMV | Safety standards for truck brakes |
| 14-137-4 to 14-137-7 | DMV | Manufacture or sale of defective recapped tires |
| 14-137-41 | DMV | Placement of flashing white lights on ambulances |
| 14-137-75 | DMV | Evidence of identity and date of birth for duplicate operator's license, commercial driver's license, or identity card |
| 14-137-76 | DMV | Surrender of temporary license when applying for operator's license with photo |
| 14-159-1 | DMV | Refund of operator's license fee for temporary or duplicate license |
| 14-261-1 | DMV | Declaring that towed vehicles are not trailers and specifying when a towed vehicle must have an operator |
| 14-289g-1 | DMV | Protective headgear for motorcyclists and passengers |
| 15-140v-1 | Department of Energy and Environmental Protection (DEEP) | Reinstatement of safe boating certificate/operator's certificate after suspension |
| 16-1-59B | DEEP | Water company rate base calculations: Conditions and exceptions |
| 16-1-66 to 16-1-70 | DEEP | Petitions and applications concerning railroads and street railways |
| 16-1-88 to 16-1-101 | DEEP | Rules applying to all petitions and applications before commissioner concerning motor carriers |
| 16-11-101(b) | DEEP | Electric company service interruption recordkeeping |
| 16-19cc-1 | DEEP | Reporting of projected electricity availability by persons with a 5% or greater interest in nuclear power stations |
| 16-19cc-2 | DEEP | Quarterly review of nuclear power generating capacity |
| 16-27-8 to 16-27-10 | DEEP | Definition of Class I, II, and III motor carriers for purposes of uniform system of accounts |
| 16-140-7 to 16-140-33 | DEEP | Clearances on railroads: Overhead and side structures and parallel tracks |
| 16-271-1 to 16-271-38 | DEEP | Natural gas pipeline companies: Design, construction, stations, operations, maintenance, records, complaints, and service interruptions |
| 16-333-54 | DEEP | Cable TV rate regulation |
| 16a-42g-1 to 16a-42g-10 | OPM | Loans for payment of home heating fuel bills |
| 17-2-78 | DSS | Medicare/Medicaid billing procedures |
| 17-2-81 to 17-2-82 | DSS | Medical and surgical supplies: Billing and criteria for determining length of need |

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| 17-2-119 | DSS | Policy and procedures governing the billing and payment for prescription drugs on behalf of Medicaid recipients: services requiring prior authorization |
| 17-2-207 | DSS | Pilot voluntary work program for heads of Aid to Families with Dependent Children households |
| 17-3g-1 | DSS | Statewide listing of income maintenance offices |
| 17-3h-1 | DSS | Plan for statewide coverage for services provided by the former Department of Income Maintenance |
| 17-311-1 to 17-311-3 | DSS | Reporting incidents of suspected spousal abuse |
| 17-31w-1 | DSS | Installation of crime prevention and safety measures in residences of elderly or handicapped applicants for weatherization assistance |
| 17-134d-2 | DSS | Grant of medical assistance (Medicaid) for certain medical and remedial care and services |
| 17-134d-7 to 17-134d-8 | DSS | Services for functionally disabled clients who have no vocational objective; definitions and general provisions |
| 17-134d-10 | DSS | Reimbursement for routine medical visits for Medicaid recipients living in homes for the aged |
| 17-134d-11 | DSS | Medicaid recipient surveillance and utilization review program |
| 17-134d-20 | DSS | Medicaid acute care general hospital inpatient weekend admissions and discharges |
| 17-134d-40 | DSS | Acute care hospital outpatient clinic reimbursement rate |
| 17-273-11 | Psychiatric Security Review Board | General Assistance Program: Relatives legally liable for support |
| 17-292d-1 | DSS | Hearings for General Assistance recipients |
| 17-478-1 to 17-478-9 | DSS | Opportunities Industrialization Center |
| 17-590-1 to 17-590-7 | DSS | Emergency shelters |
| 17a-7-1 to 17a-7-11 | Department of Children and Families (DCF) | Placement of children and youth on aftercare: Conditions, termination, and revocation |
| 17a-7a-1 to 17a-7a-9 | DCF | Standard leave and release policies for juvenile offenders |
| 17a-12-1 to 17a-12-6 | DCF | Hearings on placement of children and youth in state-operated mental health facilities |
| 17a-15-1 to 17a-15-11 | DCF | Treatment plan and hearings regarding the placement of children and youth for whom DCF provides, arranges, or purchases services |
| 17a-16-14 to 17a-16-18 | DCF | Right of child to a hearing before DCF transfer to an out-of-state facility |
| 17a-42-1 to 17a-42-5 | DCF | Establishment of a photo-listing service for children legally free for adoption |
| 17a-90-1 to 17a-90-13 | DCF | Fair hearings for people aggrieved by the denial, suspension, reduction, or discontinuance of a cash benefit or vendor payment on behalf of a child |
| 17a-100-1 to 17a-100-14 | DCF | Removal hearings for out-of-home care providers |
| 17a-101-11 to 17a-101-13 | DCF | Circumstances requiring, and procedures for, immediate removal of a child from home for 96 hours |
| 17a-101(e)-1 to 17a-101(e)-6 | DCF | Reports of child abuse or neglect |
| 17a-114-14 to 17a-114-24 | DCF | Certification of relatives providing foster care to a related child |
| 17a-155-1 to 17a-155-35 | DCF | Licensing of nondepartment organizations to provide permanent care to handicapped children in a home environment and family setting |
| 17a-218-8 to 17a-218-17 | Department of Developmental Services (DDS) | Respite programs to provide temporary care to individuals with developmental disabilities and provide relief to a family caretaker or community training home provider |
| 17a-244-1 to 17a-244-8 | DDS | Unified School District #3 (school district established within former Department of Mental Retardation): Eligibility, compliance, responsibility, service provision, administrative review, and staffing |
| 17a-345-111 | Aging Department | Administrative provisions: Forms, handbooks and other materials |

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| 17b-192-1 to 17b-192-12 | DSS | Requirements for payments of services provided under the state-administered general assistance program (SAGA) |
| 17b-262-684 to 17b-262-692 | DSS | Requirements for payment under the Connecticut Pharmaceutical Assistance Contract to the Elderly and the disabled (ConnPACE) |
| 17b-605-10a to 17b-605-16a & 17b-605-18a | DSS | Personal Care Assistance Program |
| 18-101i-4 | Department of Correction (DOC) | Public comment requirements for proposed budget for community correctional services |
| 18-101k-3 | DOC | Notice to current service providers of the schedule for issuing requests for proposals and negotiating contracts |
| 19-13-B39 | Department of Public Health (DPH) | Quality of water supplies made available for public and for employees |
| 19-13-B50 | DPH | Process for setting separation distances between wells, springs, and sewage disposal systems or drains in the case of public or semi-public water supplies |
| 19-13-E1 to 19-13-E4 | DPH | Protection against occupational exposure to tetraethyl lead |
| 19-13-G16 | DPH | Air pollution emission standards for incinerators |
| 19-300t-1 to 19-300t-13 | DEEP | Sodium fluoroacetate use, storage, and disposal |
| 19a-17n-1 to 19a-17n-2 | DPH | Physician participation in malpractice insurance purchase program |
| 19a-32b-3 to 19a-32b-5 | DPH | Grants for promoting income tax contribution system and breast cancer research and education fund |
| 19a-74a-1 to 19a-74a-2 | DPH | Requiring department to use information about nicotine sources on file with Federal Trade Commission |
| 19a-92a-1 | DPH | Conditions for certain medical professionals performing tattooing |
| 19a-121b-1 to 19a-121b-3 & 19a-121b-7 | DPH | Allocation of AIDS funding |
| 19a-160-100 to 19a-160-119 | DPH | Budget review for certain short-term acute care hospitals |
| 19a-160-121 to 19a-160-129 | DPH | RESERVED |
| 19a-166-1 to 19a-166-5 | DPH | Negotiating discounts with hospitals |
| 19a-167g-53 | DPH | RESERVED |
| 19a-167g-69 | DPH | RESERVED |
| 19a-167g-71 | DPH | RESERVED |
| 19a-167g-74 to 19a-167g-80 | DPH | RESERVED |
| 19a-167g-83 to 19a-167g-89 | DPH | RESERVED |
| 19a-167g-92 | DPH | RESERVED |
| 19a-167g-95 to 19a-167g-99 | DPH | RESERVED |
| 20-111-1 to 20-111-10 | DPH | Continuing education requirements for annual license renewal by dental hygienists |
| 20-128-8 | DPH | Continuing education requirements for annual license renewal by optometrists |
| 20-162o-1 | DPH | Application fees for respiratory care practitioners |
| 20-195o(c)-1 to 20-195o(c)-7 | DPH | Continuing education for clinical social workers |
| 21a-274a-1 to 21a-274a-2 & 21a-274a-5 to 21a-274a-12 | OPM | Drug Enforcement and Safe Neighborhoods programs |
| 22-33-A1 to 22-33-B2 | Department of Agriculture (DoAg) | Connecticut standard grades for potatoes, and packagers' and manufacturers' requirements for Charter Oak Brand potato |
| 22-35-1 to 22-35-2 | Department of Consumer Protection (DCP) | Seed potatoes: Wholesale and retail transactions, certified seed potatoes exempt |
| 22-36-1 to 22-36-2 | DoAg/DCP | Potato culls: Labeling and invoice description |
| 22-51-1 to 22-51-8 | DoAg | Connecticut standards for apples |

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| 22a-113b-1 | DEEP | Grants for protecting coves and embayments |
| 22a-174-21 | DEEP | Control of carbon monoxide emissions |
| 22a-174-36a | DEEP | Requiring heavy-duty diesel engines sold in Connecticut to be certified by the California Air Resources Board as approved for sale in California |
| 23-65g-1 to 23-65g-2 | DEEP | Voluntary registration for foresters and loggers |
| 26-48-5a(d) to 26-48-5a(e) | DEEP | Hunting propagated animals: Required number to release and timeframe |
| 26-55-3(c) to 26-55-3(f) | DEEP | Restrictions on possession of wood turtles, eastern box turtles, eastern hognose snakes, and eastern ribbon snakes |
| 26-66-8 | DEEP | Reporting and labeling requirements for the sale of game animals and parts of game animals |
| 26-66-12(e)(2)(B)(ii) | DEEP | Wild turkey hunting: Public access to private land |
| 26-78-2 | DEEP | Conditions on possession of bog turtles |
| 26-86a-7 | DEEP | Deer hunters required to wear fluorescent orange clothing |
| 26-112-47(a) | DEEP | Enfield Dam Shad Fishing Area: Boundaries and restrictions |
| 26-235-1 | DoAg | Designating exclusive recreational clamming areas at Westport Cokenoe Island and Sherwood Island |
| 27-102(d)-4(d) to 27-102(d)-4(f) | Department of Veterans' Affairs (DVA) | Board of trustees review and approval of certain regulations prior to their adoption; submission of an annual report to the governor and Public Safety committee with recommendations for new programs and improving services to veterans |
| 27-102(d)-8 | DVA | Reserved for future regulation |
| 27-102(d)-139 | DVA | Desk review and informal conferences regarding veteran's disagreement with an agency decision |
| 27-102(d)-161 | DVA | Content of the Veteran Handbook governing conduct and rules in the Veterans Home |
| 27-102(d)-170 | DVA | Regulated Activities: Daily living activities |
| 27-102(d)-171 | DVA | Regulated Activities: Motor vehicles |
| 27-102(d)-172 | DVA | Regulated Activities: Inspection of motor vehicles, packages, and containers |
| 27-102(d)-173 | DVA | Regulated Activities: Locker inspections |
| 27-102(d)-175 | DVA | Regulated Activities: Authorized absences while in residence |
| 27-102(d)-176 | DVA | Regulated Activities: Suspension of off-grounds privileges |
| 27-102(d)-177 | DVA | Regulated Activities: Bed assignment and living area |
| 27-102(d)-178 | DVA | Regulated Activities: Curfew and bed check |
| 27-102(d)-179 | DVA | Regulated Activities: Pets |
| 27-102(d)-180 | DVA | Regulated Activities: Lending and borrowing money |
| 27-102(d)-181 | DVA | Regulated Activities: Off-limits and restricted areas |
| 27-102(d)-182 | DVA | Regulated Activities: Visitors |
| 27-102(d)-183 | DVA | Regulated Activities: Use of electrical devices |
| 27-102(d)-184 | DVA | Regulated Activities: Medical care |
| 27-102(d)-185 | DVA | Regulated Activities: Possession and consumption of alcohol |
| 27-102(d)-187 | DVA | Regulated Activities: Transportation |
| 27-102(d)-300(d)(1) to 27-102(d)-300(f) | DVA | Office of Advocacy and Assistance: Course requirements for service officers |
| 27-102(d)-342 to 27-102(d)-343 | DVA | Headstones in private and state cemeteries: Technical approval or denial |

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| 29-200-1a to 29-200-5a | Department of Emergency Services and Public Protection (DESPP) | Installation and discontinuance of vertical and inclined wheelchair lifts; inclined stairway chairlifts; and limited use, limited access elevators |
| 31-19-1 to 31-19-4 | Department of Labor (DOL) | Employment of women between 1 a.m. and 6 a.m. |
| 31-37-1 to 31-37-14 | DOL | Sanitation facilities in workplaces |
| 31-46a-228 | DOL | Industrial safety code |
| 31-51k-1 to 31-51k-2 | DOL | Employment of people unlawfully present in the U.S. |
| 31-60-3 | DOL | Allowing cost of food and lodging provided to employee to be factored into calculation of minimum wage |
| 31-62-A2 to 31-62-A11 | DOL | Minimum fair wage rates for people employed in beauty shops |
| 31-62-B1 to 31-62-B2 & 31-62-B4 to 31-62-B7 | DOL | Minimum fair wage rates for people employed in laundry occupations |
| 31-62-C1 to 31-62-C2 & 31-62-C4 to 31-62-C8 | DOL | Minimum fair wage rates for people employed in cleaning and dyeing occupations |
| 31-62-E6 | DOL | Allowing cost of food and lodging provided to restaurant and hotel employees to be factored into calculation of minimum wage |
| 31-62-E7 | DOL | Restrictions on deductions countable against minimum wage rate for employers of restaurant and hotel workers |
| 31-136-1 to 31-136-6 | DOL | Establishment of Governor's Committee on Employment of People with Disabilities |
| 31-222-12 | DOL | Unemployment Compensation: Workers to secure Social Security numbers |
| 31-222-16 | DOL | Unemployment Compensation: Permissible terms under which to terminate employment of a pregnant woman |
| 31-222-17 | DOL | Unemployment Compensation: Disqualification period for voluntary quits, discharges, and suspensions |
| 31-236-38 | DOL | Unemployment Compensation eligibility: Discharge for just cause |
| 32-9bb-1 to 32-9bb-6 | DECD | Administration of and eligibility for dam repair loan funds |
| 32-9hh-1 to 32-9hh-6 | DECD | Child Care Facilities Loan Program |
| 32-9nn-1 to 32-9nn-6 | DECD | Loans to businesses impacted by road and bridge repair |
| 32-55-1 to 32-55-6 | DECD | Surety bond guarantee program for small contractors |
| 32-72-1 to 32-72-5 | DECD | Enterprise zone capital formation revolving loan fund |
| 32-82-1 to 32-82-8 | DECD | Small Contractors and Small Manufacturers Loan Program |
| 32-90-1 to 32-90-3 | DECD | Motion Picture Film Commission: Purpose and organization |
| 32-116-1 to 32-116-6 | DECD | Infrastructure Development Economic Assistance Program |
| 32-130-1 to 32-130-5 | DECD | Loan Incentives for Employment Fund |
| 32-150-1a & 32-150-2a to 32-150-6 | DECD | Employee ownership loans and interest rate subsidies |
| 32-156-1 to 32-156-5 | DECD | Northeast Connecticut Capital Assistance Fund |
| 32-162-1 to 32-162-8 | DECD | Exporters Revolving Loan Fund |
| 32-317-1 to 32-317-9 | DECD | Energy Conservation Loan Program |
| 36a-332-1 to 36a-332-8 | Department of Banking | Maximum deposit liability, collateral, and reports by qualified public depositories |
| 36a-333-1 to 36a-333-2 | Department of Banking | Protection of public deposits |
| 36a-412-1 to 36a-412-3 | Department of Banking | Supervision and examination of out-of-state banks |
| 36a-446-1 to 36a-446-5 | Department of Banking | Share accounts with an agreed maturity in Connecticut credit unions |
| 36a-458-1 | Department of Banking | Defining risk assets of Connecticut credit unions |
| 38a-434-1 | Insurance Department | Adopting official guide for submitting accident and health insurance contracts for approval |

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| 38a-660-1 to 38a-660-7 | Insurance Department | Bail bond producers application and renewal |
| 48-52-1 to 48-52-6 | OPM | Mediation process between property owners and state agencies concerning eminent domain and related relocation assistance |
| 54-125b-1 | Board of Pardons and Paroles | Criteria and procedures for release of inmates without parole hearing |

§ 55 — REPEALING SECTIONS OF THE GENERAL STATUTES

The act repeals numerous statutory provisions, as shown in Table 3.

Table 3: Repealed Statutes

| <i>Statute</i> | <i>Agency</i> | <i>Subject</i> |
|----------------|---------------|---|
| 4-67q | OPM | Licensing agreements for posting codes and standards online |
| 5-266c | DAS | Issuance of necessary and appropriate regulations regarding political activities of certain executive and judicial branch employees |
| 13b-38b | DOT | Funding criteria for ridesharing organizations; requires regulations |
| 15-140v | DEEP | Requires regulations for reinstating a revoked boating certificate |
| 17a-107 | DCF | Requires regulations on child abuse or neglect reporting and enforcement |
| 19a-17n | DPH | Requires regulations setting eligibility conditions for physicians to participate in the malpractice insurance purchase program |
| 19a-74a | DPH | Requires regulations regarding nicotine yield of tobacco products |
| 19a-121b | DPH | Requires regulations regarding HIV and AIDS grant program |
| 22a-66y | DEEP | Restrictions on the use and sale of sodium fluoroacetate; authorizes regulations |
| 31-38a | DOL | Sanitary, lighting, and heating rules for railroad workplaces |
| 31-38b | DOL | Enforcement authority regarding sanitary, lighting, and heating requirements for workplaces |
| 31-51k | DOL | Prohibiting employment of people unlawfully present in the U.S. |

BACKGROUND

Involuntary Commitment of Adults and Children with Mental Illness

For both children and adults, long-term involuntary commitment requires a probate court hearing and medical examinations by at least two court-appointed doctors (including one psychiatrist). An adult has the right to counsel, and the court automatically appoints counsel for a child in such hearings (CGS §§ 17a-77 & 17a-498).

To commit a child, a court must find clear and convincing evidence that (1) the child (a) suffers from a mental disorder and (b) is in need of hospitalization to treat the disorder, (2) treatment is available, and (3) hospitalization is the least restrictive alternative available (CGS § 17a-77(e)). To commit anyone age 16 and older, the court must find clear and convincing evidence that the person has psychiatric disabilities and

is dangerous to himself or herself or others or gravely disabled (CGS § 17a-498(c)).

The law also allows physicians and certain health professionals to commit such individuals involuntarily on an emergency basis for up to 72 hours or, if a physician orders the hold, up to 15 days. During an emergency commitment, the person has the right to a probable cause hearing within 72 hours of submitting a written request (CGS §§ 17a-502 & 17a-503).

CUSIP Number

“CUSIP” is the Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including stocks of all registered U.S. and Canadian companies and U.S. government and municipal bonds.

PA 14-188—sHB 5312

Government Administration and Elections Committee

AN ACT CONCERNING STATE CONTRACTING, GOVERNMENT ADMINISTRATION AND NOTIFICATION REGARDING EXTENSIONS OF POLLING PLACE HOURS

SUMMARY: This act makes several unrelated changes concerning state contracting, government administration, and elections. Among other things, it increases, from \$500,000 to \$1.5 million, the (1) threshold triggering requirements for a competitive bidding process for state public works projects administered by the Department of Administrative Services (DAS) and (2) cost of emergency repairs that DAS may contract for without first securing the governor’s consent and certifying the need for repairs to the Legislative Management Committee. It establishes a separate selection process for DAS-administered projects that cost \$1.5 million or less. It also requires certain subcontractors to be prequalified by DAS at the time a bid is submitted, rather than the time the project starts.

The act allows, for DAS construction manager at risk (CMR) projects that involve renovations of existing buildings or facilities, (1) certain work to begin before the project’s guaranteed maximum price (GMP) is determined and (2) a separate GMP to be determined for each phase of a multi-phase project. It also specifically allows the DAS commissioner:

1. to enter into “on-call” contracts with architects, professional engineers, and construction administrators for certain projects involving the Military Department or the Department of Energy and Environmental Protection (DEEP) and

2. when purchasing equipment, supplies, materials, or other property or services needed to fulfill his public works-related responsibilities, to (a) use cooperative purchasing and (b) purchase directly from the federal government.

The act allows the DAS commissioner to expand the janitorial work program for people with a disability or disadvantage to include other services he deems appropriate. It extends the program's exemption from state set-aside laws to these services.

The act also:

1. requires state contracting agencies to evaluate certain privatization contracts to determine if they are the most cost-effective way of delivering the service and
2. eliminates a prohibition on direct involvement, by nonclerical employees in the DAS unit that acquires, leases, and sells real property, in any enterprise that (a) does business with the state or (b) is concerned with real estate acquisition or development.

Each time the DAS commissioner extends a contract for goods and services without competitive bidding, the act requires him to explain why he did so. He must post the explanation on DAS's website, but the act sets no deadline for doing so (§ 1). Existing law requires him to make certain written determinations before extending such a contract (see BACKGROUND).

The act establishes (1) October 30 as Are You Dense? Breast Cancer Awareness Day and (2) October 9 as Neurological Disorders Awareness Day. It requires suitable exercises to be held in the State Capitol or elsewhere as the governor designates (§ 9). It also specifies that the Department of Rehabilitation Services (DORS) can accept a bequest or gift of money. The department could already accept a bequest or gift of personal property and a devise or gift of real property (§ 10).

The act requires certain individuals to be notified by registrars of voters when polling place hours are extended. Lastly, it makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2014, except for the provisions concerning (1) the awareness days, DORS, employees in DAS's property unit, and notification of polling place hour extensions, which are effective upon passage, and (2) the work program and privatization contracts, which are effective October 1, 2014.

§§ 2, 4, & 5 — COMPETITIVE BIDDING THRESHOLD

The act increases, from \$500,000 to \$1.5 million, the project cost threshold triggering competitive bidding

requirements for DAS-administered public works projects. Under prior law, with certain exceptions (e.g., Department of Transportation (DOT)-administered projects), any contract for the construction, reconstruction, alteration, remodeling, repair, or demolition of any public building or any other public work by the state estimated to cost more than \$500,000 had to be awarded, through competitive bidding, to the lowest responsible DAS-prequalified contractor. The act retains the \$500,000 competitive bidding threshold for projects administered by other agencies (e.g., the Judicial Branch and Legislative Management Committee).

Projects Costing \$1.5 Million or Less

The act allows the DAS commissioner to establish a list of preapproved contractors for DAS-administered public works projects estimated to cost the state \$1.5 million or less. The commissioner must use the department's existing prequalification classifications to determine the specific categories of services that each contractor may perform. It allows the commissioner to establish, for the purpose of selecting and utilizing small contractors and minority business enterprises, a separate list for projects that cost less than \$500,000 (see BACKGROUND).

The act requires the commissioner to invite contractors to submit qualifications for each specific category of services by posting a notice on the State Contracting Portal. The notice must be in a form he determines and set forth the information that a contractor must submit. For each specified category, the commissioner must select those contractors:

1. determined to be most responsible and qualified to perform the work required;
2. that have demonstrated the skill, ability, and integrity to fulfill contract obligations through their past performance, financial responsibility, and experience with projects of the size, scope, and complexity required under the specified category; and
3. that can obtain requisite bonding if the project costs more than \$500,000.

The commissioner must invite bids only from contractors on the lists based on the category of work to be completed. He must determine the form of bid invitation, manner of and time for bid submission, and the bids' conditions and requirements. He generally must award the contract to the lowest responsible qualified bidder. However, if the bid invitation produces fewer than three responses or all bids exceed the project's available funds, the act allows the commissioner to (1) negotiate a contract with any of the bidders or (2) reject the bids and rebid the project under the standard competitive bidding process.

§ 3 — SUBCONTRACTOR PREQUALIFICATION

Existing law requires subcontractors with contracts worth more than \$500,000 for public works projects paid for in whole or in part by the state, except for those administered by DOT, to be prequalified by DAS. The act requires these subcontractors to be prequalified at the time a bid is submitted, rather than when the project starts as prior law required.

§ 5 — EMERGENCY REPAIRS

Existing law allows the DAS commissioner and the Legislative Management Committee to enter into contracts for emergency repairs to state facilities under their control without competitive bidding. Under prior law, the commissioner could not act on a project costing more than \$500,000 without (1) the governor's written consent and (2) certifying to the Legislative Management Committee that a competitive bidding exception is warranted because of the project's emergency nature. The act increases the threshold for invoking these conditions to \$1.5 million.

§ 6 — CMR PROJECTS

By law, a CMR project cannot proceed until the GMP is determined, except for site preparation and demolition work for which contracts have previously been bid and awarded (see BACKGROUND). For CMR projects that involve renovations of existing buildings or facilities, the act allows public utility installation and connections, and building envelope components (e.g., roof, doors, windows, and exterior walls), to also begin before the GMP is determined, as long as (1) they have previously been bid and awarded and (2) the early work's (including site preparation and demolition) total cost is not more than 25% of the entire project's estimated construction cost. The act also allows a separate GMP to be determined for each phase of a multi-phase project that involves renovating an existing building while it remains occupied. Under prior law, one GMP was determined for the entire project.

The act eliminates a requirement that the construction manager for a DAS-administered CMR project advertise, in one or more newspapers having general circulation in the state, bidding opportunities for project elements (i.e., trade packages) of a CMR project. Instead, it conforms the law to current practice by requiring that such opportunities be posted on the State Contracting Portal.

§ 7 — ON-CALL CONTRACTS

The act specifically allows DAS to enter into "on-call" contracts with architects, professional engineers, and construction administrators "for a particular

program involving various projects" for constructing or renovating buildings under the control of either the Military Department or DEEP. Under existing law, DAS can enter into on-call contracts for a range of consultant services or a range of tasks pursuant to a task letter detailing the services to be performed (see BACKGROUND).

Under the act, "program" means multiple projects involving the planning, design, construction, repair, improvement, or expansion of specified buildings, facilities, or site improvements. The work involved (1) must be of a repetitive nature, (2) must share a common funding source that imposes particular requirements, or (3) would be significantly facilitated and completed by using the same design professional or construction manager.

§ 8 — COOPERATIVE PURCHASING

The act specifically allows the DAS commissioner, when purchasing equipment, supplies, materials, or other property or services needed to fulfill his public works-related responsibilities, to (1) use cooperative purchasing and (2) purchase them directly from the federal government.

By law, the commissioner may join with federal agencies, other states, Connecticut political subdivisions, or nonprofit organizations in cooperative purchasing plans when it is in the state's best interests to do so. He may also, on the state's behalf, purchase equipment, supplies, materials, and services by joining existing purchasing contracts with these entities or public consortia. The state is subject to the same contract terms and conditions as the other entities. The commissioner may also, on the state's behalf, purchase, lease, or otherwise acquire equipment, supplies, materials, or other property from the federal government.

§§ 11-14 — JANITORIAL PROGRAM

The act allows the DAS commissioner to expand the janitorial work program for people with a disability or disadvantage to include "contractual services" such as laundry and cleaning services, mail supply room staffing, data entry, call center staffing, and other services he specifies. The commissioner must post on the department's website a list of the contractual services he deems appropriate to include in the program.

Under the program, the DAS commissioner awards contracts to qualified partnerships, which are commercial janitorial (or, under the act, service) contractors and community rehabilitation programs, designated by the Connecticut Community Providers Association, that meet certain criteria. Under prior law, the contractor had to employ at least 200 people who

perform janitorial work in Connecticut. The act instead requires the contractor to employ at least 200 people who perform janitorial work or contractual services in Connecticut.

By law, the program must create and expand work opportunities, specifically full-time jobs or full-time equivalents at standard wage rates, for people with a disability (excluding blindness) and people with a disadvantage (see BACKGROUND). The law establishes requirements concerning (1) bidding on and awarding the contracts and (2) reporting by qualified partnerships. The Judicial Branch and Board of Regents for Higher Education may also participate in the program.

§ 15 — DAS PROPERTY UNIT

The act eliminates a prohibition on direct involvement, by nonclerical employees in the DAS unit that acquires, leases, and sells real property, in any enterprise that (1) does business with the state or (2) is concerned with real estate acquisition or development. Such employees remain subject to the State Code of Ethics, which, among other things, prohibits state employees from accepting outside employment that (1) is in substantial conflict with their state duties, (2) impairs their independence of judgment regarding their state duties, or (3) encourages them to disclose confidential information.

§ 16 — PRIVATIZATION CONTRACTS

By law, if a state contracting agency (i.e., an executive branch agency or higher education constituent unit) seeks to enter into a contract that privatizes services performed by state employees, it generally must conduct a cost-benefit analysis and submit to the State Contracting Standards Board a business case for the contract.

For privatization contracts not subject to this requirement (e.g., contracts for services that are currently privatized), the act requires the contracting agency to evaluate the contract to determine if entering into or renewing it is the most cost-effective way of delivering the service. The agency must do so by determining the service's costs, which by law are all reasonable, relevant, and verifiable expenses, including, among other things, salary, materials, supplies, overhead, and the normal cost of fringe benefits, as calculated by the comptroller. The Office of Policy and Management secretary must (1) prescribe a template for the agency to evaluate the service and (2) verify the agency's evaluation. The secretary may waive the evaluation requirement in exigent or emergency circumstances.

The act also defines the normal cost of fringe benefits for purposes of the contract privatization law as the amount of contributions required to fund the benefit, allocated to the current year of service.

By law, a privatization contract is an agreement or series of agreements between a state contracting agency and a person or entity in which the person or entity agrees to provide services that are substantially similar to and in lieu of services provided, in whole or in part, by state employees. It does not include contracts with a nonprofit agency that were in effect as of January 1, 2009 and, through a renewal, modification, extension, or rebidding of contracts, continue to be provided by a nonprofit agency.

§ 17 — NOTIFICATION OF POLLING PLACE HOURS EXTENSIONS

The act allows each candidate on the ballot in an election to provide, to the registrars of voters in any town in which the ballot is to be voted on, the name and contact information (including instructions for leaving a message) for an individual who should be notified if polling place hours have been or may be extended. The act requires registrars, if they are aware of a court proceeding or order concerning an extension of polling place hours, to immediately notify any individuals identified by the candidates. If the registrar does not reach an individual on the first attempt, he or she must leave a message in accordance with the candidate's instructions. The act specifies that registrars do not have to notify an individual of a court proceeding's outcome if they have already provided him or her with notice of the proceeding.

BACKGROUND

Related Act

PA 14-217 (§ 161) also allows DORS to accept a bequest or gift of money.

Extending Contracts Without Competitive Bidding

The law sets conditions under which the commissioner may extend contracts for goods and services without competitive bidding when they would otherwise be subject to such bidding. It allows him to do so if he determines in writing that:

1. soliciting competitive bids would cause a hardship for the state,
2. such bids would significantly increase the costs of the procured goods or services, or
3. the current contractor is the only one that can fulfill the contract.

If the commissioner determines that competitively rebidding the contract would create a hardship for the state or drive up the costs, he must take the additional step of soliciting competitive quotations from at least three other contractors besides the current one. If he determines in writing that the contractor's quote is equal to or lower than the other quotes, he may extend the contract without competitive bidding. He may extend a contract twice without competitive bidding.

Small Contractors and Minority Business Enterprises

A small contractor is a business that (1) maintains its principal place of business in Connecticut, (2) had gross revenues of \$15 million or less during its most recent fiscal year, and (3) is independent. Minority business enterprises are small contractors owned by women, minorities, or people with disabilities who have managerial and technical competence and experience directly related to their principal business activities.

CMR Projects

In a CMR project, the owner (e.g., DAS) hires a firm with construction experience (the construction manager or "CM"), usually during a project's design phase, to manage the entire construction process. The CM provides pre-construction services such as estimating costs, budgeting, reviewing constructability and suggesting construction alternatives, and scheduling. Once the design is finalized, the CM seeks competitive bids from subcontractors for each project element (e.g., electrical, mechanical, carpentry, roofing). Once the subcontractors' bids are received and verified for compliance with project requirements, scope, and specifications, the CM and the project owner negotiate and set a GMP for construction. The CM assumes the risk to complete the project within the GMP.

The GMP includes the CM's fee, the cost of the work, and contingency funds for the project. The CM is responsible for costs that exceed the GMP, excluding any work not included in the final GMP that the owner authorizes through a change order process.

On-Call Contracts

An on-call contract defines a broad range of consultant services (e.g., architectural services, professional engineers, accountants, and others) and is generally valid for two to three years. An on-call contract is generally not connected to a specific project; rather, DAS subsequently issues task letters to firms with on-call contracts that identify a specific scope of services to be performed and the fee for those services.

DAS must establish selection panels for evaluating consultant services proposals (including those for on-

call contracts) if the value of the services exceeds \$300,000. The panels must submit a list of the most qualified firms to the DAS commissioner for his consideration.

Person With a Disadvantage

For the purposes of the janitorial work program (expanded by the act to allow contractual services), a person has a disadvantage if (1) his or her income is no more than 200% of the federal poverty level for a family of four or (2) he or she is eligible for employment services under the federal Workforce Investment Act as the state Labor Department determines.

PA 14-202—sSB 247

Government Administration and Elections Committee

AN ACT ELIMINATING AND MODIFYING CERTAIN REPORTING AND REGULATORY REQUIREMENTS OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND REPEALING OBSOLETE PROVISIONS

SUMMARY: This act makes several unrelated changes affecting the Department of Administrative Services (DAS). Among other things, it:

1. shifts, from individual agencies to DAS, the duty to report annually to the State Bond Commission secretary and the Finance, Revenue and Bonding Committee on the status of certain public works projects;
2. eliminates a requirement that DAS, in consultation with the Office of Policy and Management (OPM) secretary and the State Properties Review Board (SPRB), adopt regulations concerning state agency leases; and
3. eliminates a report by DAS on state agency information technology initiatives, folding most of the report's requirements into the department's annual information and telecommunications systems strategic plan.

The act eliminates an obsolete requirement that DAS report to the Appropriations and Education committees on purchasing requests it received from the constituent units of higher education (UConn, the Connecticut State University System, regional community-technical colleges, and Charter Oak State College). The constituent units have their own purchasing authority and no longer make purchases through DAS (§ 6).

Additionally, the act repeals provisions concerning the awarding and review of contracts for information or telecommunication system facilities, equipment, or services that were entered into pursuant to a request for

proposals (RFP) issued in 1997. No contracts were ever awarded under this RFP (§ 7).

The act also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§ 1 — CAPITAL PROJECT REPORTS

The act requires DAS to report annually, beginning January 1, 2015, to the State Bond Commission secretary and the Finance, Revenue and Bonding Committee concerning the completion or acceptance during the preceding year of each public works construction project administered by DAS's Division of Construction Services that (1) has an estimated cost of more than \$10,000 and (2) received any funding from the proceeds of state general obligation bonds.

The report's contents are the same as under prior law. It must include, for each project, the (1) actual cost if known, otherwise the estimated cost; (2) amount, if any, required to be held in retainage and the reason for the retainage; and (3) amount of unexpended bond proceeds. It may include recommendations on how to use the unexpended funds. The act eliminates requirements that the chief administrative officers of state agencies for whom DAS administers these projects report this information (1) to the bond commission secretary within 90 days after completing or accepting the project and (2) annually by January 1 to the Finance, Revenue and Bonding Committee chairpersons.

§ 2 — LEASING REGULATIONS

The act eliminates a requirement that DAS, in consultation with the OPM secretary and SPRB, adopt regulations establishing the procedures DAS, OPM, and SPRB must use in leasing state offices, space, and other facilities. It instead establishes in law the same requirements that prior law required to be established in regulations. These include, among other things, requirements that the DAS commissioner submit to the OPM secretary for his approval (1) an estimate of the gross cost and total square footage needed for each lease and (2) all leases, lease renewals, and holdover agreements.

§§ 3 & 7 — INFORMATION TECHNOLOGY

Under prior law, the DAS commissioner had to annually submit a report on information technology by October 1 to the governor; OPM secretary; and the Appropriations, Government Administration and Elections, and Program Review and Investigations committees. Among other things, the report had to address state agency technology projects, information and telecommunication system expenditures, opportunities for efficiencies or cost reductions, and

executive branch agency efforts to use e-government solutions to deliver state services and conduct state programs. The act eliminates the report and instead requires the DAS commissioner to incorporate most of its contents into the state's information and telecommunications systems strategic plan that he must develop annually. (The provision concerning system expenditures was already required for the strategic plan.)

By law, each state agency must submit to the DAS commissioner all plans, documents, and other information he requests for developing the strategic plan. The act specifies that agencies must do this annually by August 1. It also requires the DAS commissioner to submit the updated strategic plan to the OPM secretary annually by September 15. Under existing law, the secretary must submit the updated plan to the governor and legislature annually by October 1.

The act eliminates requirements that the strategic plan include (1) a level of information systems and telecommunication planning for all state agencies and operations throughout the state that ensures effective and efficient utilization of, and access to, the state's information and telecommunications resources and (2) specific components associated with this planning. It also eliminates a requirement that the DAS commissioner, in carrying out the above planning requirements, consult with representatives of business associations, consumer organizations, and nonprofit human services providers.

PA 14-5—SB 181

*Higher Education and Employment Advancement Committee
Government Administration and Elections Committee*

**AN ACT CONCERNING UCONN LEASES WITH
STATE AGENCIES AND QUASI-PUBLIC
AGENCIES**

SUMMARY: This act eliminates a prohibition on UConn leasing, financing, or lease-financing, through another state or quasi-public agency, any land or building outside the Storrs campus that costs more than \$50,000 per year. The prohibition applied to leases and lease-finance agreements under the UConn 2000 infrastructure program. Under existing law, UConn may, without such a cost restriction, directly lease real or personal property or rights or interests in any such property in connection with UConn 2000 (CGS § 10a-109d(a)(7)).

EFFECTIVE DATE: Upon passage

PA 14-11—sHB 5029

*Higher Education and Employment Advancement Committee
Public Safety and Security Committee*

**AN ACT CONCERNING SEXUAL ASSAULT,
STALKING AND INTIMATE PARTNER
VIOLENCE ON CAMPUS**

SUMMARY: This act expands the scope of the law that requires public and independent higher education institutions to (1) adopt and disclose one or more policies on sexual assault and intimate partner violence and (2) offer sexual assault and intimate partner violence primary prevention and awareness programming and campaigns. Specifically, the act (1) requires for-profit institutions licensed to operate in Connecticut to comply with these requirements and (2) applies them to (a) stalking and (b) all institutions' employees. It also (1) requires all institutions (public, independent, and for-profit), after a reported incident, to immediately provide concise written notification to each victim regarding his or her rights and options under the institution's policy or policies and (2) allows all institutions to permit anonymous reporting.

The act requires all higher education institutions to report annually to the Higher Education Committee concerning their policies, prevention and awareness programming and campaigns, and the number of incidents and disciplinary cases involving sexual assault, stalking, and intimate partner violence. It also requires institutions to include information about stalking and family violence in their annual uniform campus crime reports.

Under the act, all higher education institutions must establish a campus resource team to review their policies and recommend protocols for providing support and services to students and employees who report being victims. The act establishes: (1) membership and education requirements for the team; (2) education requirements for the institution's Title IX coordinator and special police force, campus police force, or campus safety personnel; and (3) training requirements for members of the state or local police who respond to campus incidents.

The act requires all higher education institutions to enter into a memorandum of understanding (MOU) with at least one community-based sexual assault crisis service center and one community-based domestic violence agency. The MOU must (1) establish a partnership with the service center and agency and (2) ensure that victims can access free and confidential counseling and advocacy services, either on or off campus.

Lastly, the act makes technical changes.

PA 14-217 (§§ 163-164) exempts Charter Oak State College from several of this act's requirements, as described below.

EFFECTIVE DATE: July 1, 2014

§ 2 — INSTITUTION POLICIES

Under existing law, each public and independent higher education institution must adopt one or more policies concerning sexual assault and intimate partner violence. The policies must include provisions for (1) providing information to students about their options for assistance if they are victims of such violence, (2) disciplinary procedures, and (3) possible sanctions. These institutions must include the policies in their uniform campus crime report, which is produced annually and available on request to students, employees, and applicants for admission.

The act expands the scope of the policies by (1) requiring for-profit institutions licensed to operate in Connecticut to comply with them and (2) applying them to (a) stalking and (b) all institutions' employees. Under prior law, stalking was addressed by the institutions' policies only in the context of intimate partner violence, which is limited to harm against an individual by a current or former spouse or by a partner in a dating relationship. (However, neither prior law nor the act require for-profit institutions to produce the uniform campus crime report.)

The act specifies that the institutions' policies apply to incidences of sexual assault, stalking, and intimate partner violence wherever they occur (i.e., on or off campus). It also specifies that the policies apply to people who report or disclose being a victim. Under

prior law, they applied only to people who reported being a victim.

The act allows all higher education institutions to permit victims to report or disclose incidents anonymously. The institution must notify the victim of its obligations under state or federal law, if any, to (1) investigate or address the alleged sexual assault, stalking, or intimate partner violence and (2) assess whether the report triggers the need for a timely warning or emergency notification pursuant to federal regulations. These obligations may, in limited circumstances, result in disclosure of the victim's identity (see BACKGROUND).

Under existing law, an institution's disciplinary proceedings must be conducted by an official trained in issues relating to sexual assault and intimate partner violence. The act requires that this training be annual and that it also include issues related to stalking.

Information Provided to Victims

Under existing law, institutions' policies must have a provision for giving contact information for and, if requested, professional assistance in accessing and using campus, local advocacy, counseling, health, and mental health services. The act requires the contact information to be concise and in writing.

Existing law requires the policies to also provide written information about a victim's rights to (1) notify law enforcement and receive assistance from campus authorities in making the notification and (2) obtain a protective order, apply for a temporary restraining order, or seek enforcement of an existing order. The act specifies that this information must be concise and written in plain language.

The act requires all higher education institutions to provide concise notification, written in plain language, to each student and employee who has been the victim of sexual assault, stalking, or intimate partner violence regarding his or her rights and options under the institution's policy or policies. The institution must provide this notification immediately upon receiving a report of the incident. In addition to the rights listed above, the victim's rights and options under existing law include, among other things, reasonably available opportunities to change academic, living, campus transportation, or working situations.

§§ 1 & 2 — PREVENTION AND AWARENESS PROGRAMMING AND CAMPAIGNS

Under existing law, public and independent higher education institutions must offer, within existing budgetary resources, (1) sexual assault and intimate partner violence primary prevention and awareness programming for all students and (2) ongoing

prevention and awareness campaigns. The act:

1. requires for-profit institutions to offer the programming and campaigns;
2. requires the programming and campaigns to also address stalking;
3. requires the programming to be provided (a) annually and (b) to employees, not just students as under prior law;
4. eliminates the requirement that the programming and campaigns be within existing budgetary resources; and
5. specifies that prevention and awareness programming includes poster and flyer campaigns, electronic communications, films, guest speakers, symposia, conferences, seminars, or panel discussions.

The act also specifies that the programming must include strategies for bystander intervention. (Prior law required that the programming address bystander intervention, without a reference to strategies.) The act defines "bystander intervention" as the act of challenging social norms that support, condone, or permit sexual assault, stalking, and intimate partner violence.

PA 14-217 exempts Charter Oak State College from the prevention and awareness programming and campaign requirements.

§§ 1 & 2 — REPORTING

§ 2 — Annual Report to Higher Education Committee

The act requires all higher education institutions, annually beginning October 1, 2015, to submit a report to the Higher Education Committee that includes, for the immediately preceding calendar year, the following information concerning sexual assault, stalking, and intimate partner violence:

1. a copy of the institution's (a) most recently adopted policies and (b) most recent concise written notification of a victim's rights and options under these policies;
2. the number and type of prevention, awareness, and risk reduction programs at the institution;
3. the type of prevention and awareness campaigns at the institution;
4. the number of incidents reported to the institution;
5. the number of confidential or anonymous reports or disclosures; and
6. the number of disciplinary cases and the final outcome of these cases, including the outcome of any appeals, to the extent that reporting the outcomes does not conflict with federal law.

PA 14-217 exempts Charter Oak State College from these requirements.

§ 1 — Uniform Campus Crime Reports

Under existing law, each public and independent higher education institution must annually publish a uniform campus crime report and make it available on request to students, employees, and applicants for admission. The report must include information about certain crimes committed in the immediately preceding calendar year within the geographical limits of property the institution owns or controls. The act requires the report to additionally include information about incidences of (1) 1st, 2nd, and 3rd degree stalking and (2) family violence (which includes various crimes committed against a family or household member). It also requires the report to be published annually by October 1, rather than September 1 as prior law required. As under existing law, for-profit institutions are not required to produce the report.

§ 3 — CAMPUS RESOURCE TEAM

Membership

The act requires each public, independent, and for-profit higher education institution to establish a campus resource team by January 1, 2015. (PA 14-217 exempts Charter Oak State College from this requirement.) The team must have representatives from, and be responsible for, each of the institution's campuses. The institution's president selects the team members, who must include the institution's Title IX coordinator (under federal law, each institution receiving federal student aid must designate a Title IX coordinator) and chief student affairs officer, or their designees. The team must also include, to the extent they exist on campus, at least one representative from the institution's: (1) administration; (2) counseling services office; (3) health services office; (4) women's center; (5) special police force, campus police force, or campus safety personnel; (6) faculty; (7) senior and mid-level staff; (8) student body; (9) residential life office; and (10) judicial hearing board.

The team may also include any other members designated by the institution's president. Additionally, the president must invite to serve on the team at least one representative from (1) a community-based sexual assault crisis service center; (2) a community-based domestic violence agency; and (3) the criminal justice system in the institution's judicial district, including state and local police and state prosecutors.

Education Requirements

The act requires the institution to ensure that each team member is educated in the following areas:

1. awareness and prevention of sexual assault, stalking, and intimate partner violence;

2. communicating with and assisting students or employees who are victims;
3. the institution's sexual assault, stalking, and intimate partner violence policies;
4. the provisions of (a) Title IX and (b) the federal Clery Act (see BACKGROUND);
5. victim-centered response and the role of community-based sexual assault victim advocates;
6. each team member's role and function in ensuring a coordinated response to reports of sexual assault, stalking, and intimate partner violence; and
7. communicating sensitively and compassionately with victims, including responding or providing services to, or assisting in locating services for, victims from diverse cultural backgrounds.

The act defines "victim-centered response" as a systematic focus on a victim's needs and concerns that (1) ensures services are delivered in a compassionate, sensitive, nonjudgmental manner; (2) ensures an understanding of how trauma affects victim behavior; (3) maintains victim safety, privacy and, where possible, confidentiality; and (4) recognizes that victims are not responsible for the assault, stalking, or violence committed against them.

Duties

The act requires the campus resource team, by July 1, 2015, to (1) review the institution's sexual assault, stalking, and intimate partner violence policies and (2) recommend to the institution protocols for providing support and services to students and employees who report being victims. The team must meet at least once a semester to review the protocols and ensure that they are updated as necessary.

§§ 5 & 6 — ADDITIONAL EDUCATION AND TRAINING REQUIREMENTS

The act requires each public, independent, and for-profit higher education institution to ensure that its Title IX coordinator and members of its special police force, campus police force, or campus safety personnel employed by the institution are educated in the awareness and prevention of sexual assault, stalking, and intimate partner violence, and in trauma-informed response. (PA 14-217 exempts Charter Oak State College from this requirement.) It also requires members of the State Police and local police departments who act as first responders to reports of sexual assault, stalking, or intimate partner violence at the institution to receive training in (1) the awareness and prevention of these crimes and (2) trauma-informed

response.

The act defines “trauma-informed response” as one that understands the complexities of sexual assault, stalking, and intimate partner violence through training centered on (1) the neurobiological impact of trauma, (2) the influence of societal myths and stereotypes surrounding trauma’s causes and impact, (3) understanding perpetrators’ behavior, and (4) conducting an effective investigation on behalf of trauma victims.

§ 4 — MEMORANDA OF UNDERSTANDING

The act requires each public, independent, and for-profit higher education institution, by January 1, 2015, to enter into an MOU with at least one community-based sexual assault crisis service center and one community-based domestic violence agency. (PA 14-217 exempts Charter Oak State College from this requirement.) The MOUs must (1) establish a partnership with the service center and agency and (2) ensure that a student or employee who reports or discloses being a victim of sexual assault, stalking, or intimate partner violence can obtain free and confidential counseling and advocacy services, either on or off campus.

The partnership must include:

1. involvement of the institution’s campus resource team and
2. training between the institution and service center and agency to (a) understand each other’s role in responding to reports and disclosures of sexual assault, stalking, and intimate partner violence against students and employees and (b) the institution’s protocols for providing support and services to such students and employees.

BACKGROUND

Confidential or Anonymous Reporting

The U.S. Department of Education’s Office of Civil Rights (OCR) enforces federal laws and regulations concerning sexual harassment (which includes sexual violence) in higher education institutions. In an April 2011 “Dear Colleague” letter (an official statement of department policy), OCR stated that an institution should evaluate a sexual harassment victim’s request for confidentiality in the context of its responsibility to provide a safe and nondiscriminatory environment for all students. Factors the institution may consider include the seriousness of the alleged harassment, the victim’s age, whether the alleged perpetrator has been the subject of other harassment complaints, and the alleged perpetrator’s due process rights. The institution should

inform the victim if it cannot ensure confidentiality.

Title IX

Title IX (20 USC § 1681 et seq.) prohibits discrimination on the basis of sex by any institution that receives federal student aid (e.g., Pell grants and student loans). Under Title IX, sexual harassment (which includes sexual violence) is a form of sex discrimination.

Clery Act

The federal Clery Act (20 USC § 1092(f)) requires institutions that receive federal student aid to, among other things, adopt and disclose policy statements that address several campus safety-related issues. One of these statements must specifically address the institution’s sexual offense policy, procedures, and programs. The Clery Act also requires institutions to annually report several crime statistics to the U.S. Department of Education.

PA 14-21—SB 18

Higher Education and Employment Advancement Committee

AN ACT CONCERNING THE ENGLISH LANGUAGE LEARNER EDUCATOR INCENTIVE PROGRAM

SUMMARY: This act redesigns a teacher loan reimbursement program administered by the Office of Higher Education (OHE) as an incentive grant and loan reimbursement program for college and university students studying to be English language learner (ELL) teachers. Specifically, the act:

1. extends eligibility for the program to undergraduates enrolled in teacher preparation programs, rather than to certified teachers;
2. removes prior law’s (a) cap on the number of participants and (b) employment commitment requirements;
3. revises eligibility requirements and fund distribution;
4. reduces the maximum amount of funds a recipient may receive by \$5,000 (from \$25,000 to \$20,000); and
5. changes the name of the program from the “English language learner educator loan reimbursement program” to the “English language learner educator incentive program.”

The act maintains the requirements that the program (1) benefit individuals seeking credentials as bilingual education teachers or teachers of English to speakers of other languages and (2) be administered

within available appropriations.

It also removes OHE’s authority to adopt implementing regulations relating to the program.

EFFECTIVE DATE: July 1, 2014

PROGRAM COMPARISON

Table 1 compares the program under prior law with the redesigned program in the act.

Table 1: Program Comparison

| | <i>ELL educator loan reimbursement program (prior law)</i> | <i>ELL educator incentive program (the act)</i> |
|---------------------------------|--|--|
| Eligible participants | Up to 20 teachers | Unlimited number of undergraduate students |
| Eligibility requirements | <p><i>Loan reimbursement.</i> On or after May 1, 2012, a person had to do the following to receive loan reimbursements:</p> <ol style="list-style-type: none"> (a) graduate from a Connecticut higher education teacher preparation program and complete state teaching certification requirements or (b) hold a teaching certificate and complete a Connecticut endorsement program in bilingual education or the teaching of English to speakers of other languages, obtain one of these endorsements if he or she had not already done so, be employed by Connecticut public schools in a teaching position that requires one of these endorsements, and make a written commitment to remain employed in such a position for at least five years after receiving the endorsement. | <p><i>Grants.</i> On or after July 1, 2014, a person must do the following to receive grants:</p> <ol style="list-style-type: none"> be enrolled at any four-year Connecticut college or university in the final two years of a teacher preparation program that leads to teacher certification and pursue an endorsement in bilingual education or the teaching of English to speakers of other languages. <p><i>Loan reimbursement.</i> A person who receives grants under the incentive program may receive loan reimbursements upon graduation, if he or she teaches in a Connecticut public school in position that requires one of these endorsements.</p> |

| | <i>ELL educator loan reimbursement program (prior law)</i> | <i>ELL educator incentive program (the act)</i> |
|---|--|--|
| Maximum potential amount available | \$25,000 (five years of teaching at \$5,000 per year in loan reimbursements) | \$20,000 (two years as an undergraduate at \$5,000 per year in grants, plus four years of teaching at \$2,500 per year in loan reimbursements) |
| Employment commitment | Recipients must fulfill the five-year teaching commitment in one of these endorsement areas or repay at least 20% of the reimbursement for each unmet year of employment in a manner determined by the OHE executive director. | Not required |

PA 14-65—HB 5028

Higher Education and Employment Advancement Committee

AN ACT CONCERNING REVISIONS TO THE HIGHER EDUCATION STATUTES AND MILITARY OCCUPATIONAL LICENSING DATA

SUMMARY: This act amends PA 14-131, which requires various governmental licensing authorities to certify, waive, grant, or award certain licenses, registrations, examinations, training, or credit to veterans or armed forces or National Guard members (i.e., service members) with military experience or qualifications similar to those otherwise required.

The act limits the (1) circumstances under which licensing authorities must inquire about applicants’ service member status and (2) information authorities must annually report to the Department of Labor (DOL) and the Veterans’ Affairs Committee. It requires the Board of Regents for Higher Education (BOR) and the UConn Board of Trustees (BOT) to submit separate reports containing information that differs from the other licensing authorities’ and extends their first annual reporting deadline.

The act changes reporting requirements for the Planning Commission for Higher Education, which by law must develop and ensure the implementation of a strategic master plan for higher education in the state (see BACKGROUND).

The act also makes (1) changes to higher education statutes to conform with name and definition changes enacted in 2013 and (2) several technical changes to other statutes relating to higher education and licensing of veterans and service members.

EFFECTIVE DATE: July 1, 2014, except the licensing authority provisions take effect upon passage.

§ 14 — LICENSING AUTHORITIES' USE OF MILITARY EXPERIENCE INFORMATION

Requirements for Licensing Authorities

PA 14-131 requires various licensing authorities to ask each applicant for a license, certificate, registration, or an educational credit if he or she is a veteran or a service member. This act amends PA 14-131 by requiring the authorities to ask only when evidence of military training or experience is relevant and could be applied to a credential or credit under the authority's oversight.

The act also limits the contents of the licensing authorities' annual reports to DOL and the Veterans' Affairs Committee. Under PA 14-131, the reports must include:

1. the number of service members who applied for a military training evaluation, license, certificate, registration, or an educational credit;
2. the number of service members whose applications were (a) approved and (b) denied, along with the reasons for the denials; and
3. the licensing authority's processing time for applications submitted by service members compared with the average processing time for all applications.

Under the act, however, they must include this information only (1) if it falls under the licensing authority's oversight and (2) where military training or experience is relevant and could be applied.

Under PA 14-131, the licensing authorities include the (1) Department of Consumer Protection, (2) Department of Emergency Services and Public Protection, (3) DOL, (4) Department of Motor Vehicles, (5) Department of Public Health, (6) BOR, (7) Office of Higher Education, (8) UConn BOT, and (9) Police Officer Standards and Training Council.

BOR and UConn BOT Reporting Requirements

The act changes BOR's and UConn BOT's reporting requirements to DOL and the Veterans' Affairs Committee. PA 14-131 requires these higher education entities' reports to meet the same requirements as the other licensing authorities' reports. The act eliminates the requirements to report on the:

1. number of service members whose application for a license, certificate, registration, or an educational credit was denied, and reasons for the denials and
2. processing time for applications submitted by service members compared with the average processing time for all applications.

The act also adds a new reporting requirement unique to the higher education authorities. BOR and UConn BOT must, in the aggregate, detail the types of (1) military training presented, (2) education credit awarded to enrolled service members for such training, and (3) military training for which credit was not awarded to enrolled service members.

The act retains the requirements to report:

1. information on (a) the number of service members who applied for a military training evaluation, license, certificate, registration, or an educational credit and (b) the number of service members whose applications were approved (the act limits this to information about credentials that fall under the licensing entity's authority and where military training or experience is relevant and could be applied);
2. information on their efforts to inform and assist service members in accessing programs that provide the education and training necessary for meeting licensure, certification, registration, or educational credit requirements;
3. information on whether existing law effectively addresses the challenges service members face when applying for an occupational or professional license, certificate, registration, or an educational credit upon discharge from military service or relocating to the state; and
4. recommendations on improving their ability to meet the occupational needs of service members, including the issuance of temporary or provisional licenses, certificates, or registrations.

Also, the act extends BOR's and UConn BOT's first annual reporting deadline from January 1, 2015 to July 1, 2016.

§ 13 — PLANNING COMMISSION ANNUAL REPORT

The act changes, from October 1, 2016 to January 1, 2016, the deadline by which the Planning Commission for Higher Education must submit its first annual report on the strategic master plan's implementation to the governor. The law already requires the commission to submit this report by this date to the Higher Education, Education, Commerce, Labor, and Appropriations committees. The act also removes the requirement that BOR prepare the annual report on behalf of the commission.

BACKGROUND

Planning Commission for Higher Education

The commission develops and ensures the implementation of a strategic master plan for higher

education. The plan must address degree attainment, the number of people entering the workforce, and the achievement gap. It also must establish numerical goals for 2015 and 2020 that (1) eliminate the postsecondary achievement gap between minority students and the general student population and (2) increase the number of people (a) earning a bachelor degree, associate degree, or certificate; (b) completing coursework at community colleges; and (c) entering the state's workforce. The plan must provide specific strategies for meeting these goals and consider the impact of education trends on higher education in Connecticut (CGS § 10a-11b).

PA 14-91—SB 19

Higher Education and Employment Advancement Committee

AN ACT ESTABLISHING UNIFORM STATE ACADEMIC DEGREE STANDARDS

SUMMARY: By law, the UConn Board of Trustees (BOT) and the Board of Regents for Higher Education (BOR) are authorized to review and approve recommendations for the establishment of new academic programs. BOT has authority concerning UConn programs, and BOR has authority concerning programs for the Connecticut State University System, regional community-technical colleges, and Charter Oak State College.

This act specifies that, when approving academic programs, (1) UConn's BOT must follow certain statutory requirements concerning standards set by the Office of Higher Education (OHE) (the law already requires BOR to do so) and (2) both BOR and UConn's BOT must follow regulations promulgated by OHE. The statutory and regulatory requirements concern administration, finance, faculty, curricula, library, student admission and graduation, plant and equipment, records, catalogs, program announcements, and any other pertinent criteria.

The act also (1) eliminates BOR's authority to impose penalties on public institutions for violating program approval and licensure and accreditation requirements and (2) makes technical changes.

EFFECTIVE DATE: July 1, 2014

PA 14-106—sSB 182

*Higher Education and Employment Advancement Committee
Government Administration and Elections Committee*

AN ACT CONFORMING PUBLIC HIGHER EDUCATION PURCHASING STATUTES WITH DEPARTMENT OF ADMINISTRATIVE SERVICES PURCHASING STATUTES AND PRACTICE

SUMMARY: This act allows the chief executive officer of a constituent unit of the state higher education system to join with federal agencies, other states, Connecticut political subdivisions, or private or nonprofit organizations in cooperative purchasing plans when it is in the state's best interests to do so.

The act also allows the state, through the chief executive officer of a constituent unit of higher education, to make certain purchases from vendors with existing sales contracts with other states, Connecticut political subdivisions, nonprofit organizations, or private or public consortia. The purchases include equipment, supplies, materials, and services, and the state is subject to the same contract terms and conditions as the other entities. By law, the state may already make such purchases (except for those with private consortia) through the administrative services commissioner (CGS § 4a-53(b)).

The act also makes technical changes.

By law, the constituent units are UConn, the Connecticut State University System, regional community-technical colleges, and Charter Oak State College (CGS § 10a-1).

EFFECTIVE DATE: July 1, 2014

PA 14-117—sSB 330

*Higher Education and Employment Advancement Committee
Government Administration and Elections Committee*

AN ACT CONCERNING THE BOARD OF REGENTS

SUMMARY: This act conforms law to current practice by requiring the Board of Regents for Higher Education (BOR) to appoint two vice presidents upon the BOR president's recommendation, one for the Connecticut State University System (CSUS) and one for the regional community-technical colleges (CTC). Under prior law, BOR had to appoint a vice president for each constituent unit of higher education (UConn, CSUS, CTC, and Charter Oak State College). By law, the vice presidents' duties include overseeing academic programs, student support services, and institutional support.

The act also eliminates statutory references to the Board for State Academic Awards (BSAA) and replaces them with references to BOR or Charter Oak State College, as appropriate. For example, it renames the Board of State Academic Awards Operating Fund as the Board of Regents for Higher Education for Charter Oak State College Operating Fund.

BSAA was formerly a nine-member board that governed Charter Oak State College. PA 11-48 transferred BSAA's powers and duties to BOR but retained statutory references to BSAA. Thus BOR, acting as BSAA, has governed Charter Oak since January 1, 2012.

EFFECTIVE DATE: July 1, 2014

PA 14-208—sSB 402

*Higher Education and Employment Advancement Committee
Government Administration and Elections Committee*

**AN ACT CONCERNING FACULTY
REPRESENTATION ON THE BOARD OF
REGENTS FOR HIGHER EDUCATION**

SUMMARY: This act requires the Board of Regents for Higher Education's (BOR) faculty advisory committee (FAC) vice-chairperson to serve as an ex-officio, nonvoting BOR member for a two-year term but excludes the vice-chairperson from BOR executive sessions. It also makes technical changes.

Under existing law, the FAC chairperson is an ex-officio, nonvoting member and is similarly excluded from executive sessions. Executive sessions are those from which the public is excluded while committee members discuss topics such as specific employees, pending legal claims or litigation, security strategy, real estate transactions, or public records exempt from the Freedom of Information Act.

BOR is the governing body for the Connecticut State University System, regional community-technical colleges, and Charter Oak State College. The board has 15 voting and five ex-officio, non-voting members besides the FAC vice-chairperson. The FAC assists BOR in performing its statutory functions and consists of 10 members representing the institutions governed by BOR.

EFFECTIVE DATE: July 1, 2014

PA 14-26—SB 113
Housing Committee

AN ACT MAKING TECHNICAL CORRECTIONS TO STATUTES CONCERNING HOUSING

SUMMARY: This act makes minor changes to conform to PA 13-234, which transferred the administration of certain housing-related matters from the Department of Economic and Community Development (DECD) to the Department of Housing (DOH). Specifically, the act eliminates the requirement that DECD's annual report to the governor and General Assembly summarize its housing development efforts and activities. DOH assumed authority over these functions and must, by law, report on them.

The act also makes the DOH commissioner, rather than the DECD commissioner, responsible for ensuring proper implementation of residential anti-displacement and relocation assistance plans for housing and community development projects that receive state financial assistance. The DECD commissioner remains responsible for ensuring proper implementation of plans for similarly financed economic development projects.

The act also makes technical changes.

EFFECTIVE DATE: October 1, 2014

PA 14-35—HB 5131
Housing Committee

AN ACT TRANSFERRING CERTAIN POWERS AND FUNCTIONS OF THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO THE DEPARTMENT OF HOUSING

SUMMARY: This act transfers various housing-related powers from the Department of Economic and Community Development (DECD) commissioner to the Department of Housing (DOH) commissioner.

It also makes a technical change allowing the DECD commissioner to continue delegating her powers. EFFECTIVE DATE: October 1, 2014, except for the provisions concerning grants to nonprofit housing organizations, which are effective July 1, 2014.

TRANSFERRED POWERS

The act authorizes the DOH commissioner, rather than the DECD commissioner, to (1) award grants to nonprofit housing organizations to plan, develop, construct, and manage housing developments and (2) adopt regulations concerning such grants.

It also transfers, from the DECD commissioner to the DOH commissioner, the authority to, among other things:

1. accept federal and state grants;
2. defer payments due on a loan made by DOH that is, or may become, delinquent, subject to the State Bond Commission's approval;
3. acquire and convey, or place in a DOH program, state-financed housing owned by a legally dissolved developer;
4. operate and accept state and federal funds on behalf of, or to operate, housing projects that the state acquires to preserve its interest under the contract that initially funded it;
5. enter into contracts on housing authorities' behalf, for state-financed projects;
6. provide technical assistance to public housing authorities;
7. collect information on public housing projects;
8. study, and develop plans to meet, housing needs;
9. study public housing financing options; and
10. adopt regulations to carry out the department's purposes.

BACKGROUND

Department of Housing

In 2012, legislation established DOH and made it the lead state agency responsible for all housing matters, including housing and neighborhood policy, development, redevelopment, preservation, maintenance, and improvement. PA 13-234 transferred many housing-related responsibilities to DOH from DECD, the Office of Policy and Management, and the Department of Social Services.

PA 14-45—sSB 363
Housing Committee

AN ACT TRANSFERRING FUNDS DEPOSITED IN THE COMMUNITY INVESTMENT ACCOUNT TO THE DEPARTMENT OF HOUSING

SUMMARY: This act redirects to the Department of Housing all community investment account (CIA) funds that the Connecticut Housing Finance Authority received under prior law. It also repeals obsolete provisions related to account transfers that occurred between July 1, 2009 and July 1, 2011.

By law, the CIA is a separate, non-lapsing General Fund account that provides funding for open space, farmland preservation, historic preservation, affordable housing, and promoting agriculture. The account is capitalized through a \$40 land recording fee (CGS § 7-34a(e)).

EFFECTIVE DATE: Upon passage

PA 14-46—SB 364

Housing Committee

Human Services Committee

AN ACT CONCERNING THE DEPARTMENT OF HOUSING'S RECOMMENDATIONS FOR REVISIONS TO THE SUPPORTIVE HOUSING INITIATIVE STATUTE

SUMMARY: This act adds the departments of Developmental Services and Veterans' Affairs to the entities with which the Department of Mental Health and Addiction Services (DMHAS) must collaborate in administering the state's permanent supportive housing initiative.

It gives the entities administering the initiative more discretion in determining eligibility by eliminating a provision under which services must be directed to:

1. people or families affected by psychiatric disabilities, chemical dependencies, or both, and who are homeless or at-risk of becoming homeless;
2. families who qualify for the Temporary Assistance for Needy Families program;
3. 18-to-23-year-olds who are homeless or at-risk of becoming homeless because they are transitioning out of foster care or other residential programs; and
4. community-supervised offenders with serious mental health needs who are under Judicial Branch or Department of Correction jurisdiction.

The act instead specifies that all homeless individuals and families, not only those listed above, are eligible for the initiative. By law, individuals and families who are at-risk of becoming homeless or who have special needs are also eligible.

By law, the other entities that administer the initiative with DMHAS are the Connecticut Housing Finance Authority, the Judicial Branch's Court Support Services Division, and the departments of Social Services, Correction, Children and Families, and Housing.

EFFECTIVE DATE: July 1, 2014

PA 14-49—sSB 112

Housing Committee

Planning and Development Committee

AN ACT CONCERNING PUBLIC HOUSING

SUMMARY: This act exempts an additional public housing project, William V. Begg Apartments in Waterbury, from requirements regarding the sale, lease, transfer, or destruction of projects owned by housing authorities that receive, or have received, state financial assistance.

The law generally prohibits such housing authorities from disposing of a housing project, or any part of it, if doing so would remove it from the low- or moderate-income rental market.

EFFECTIVE DATE: October 1, 2014

PA 14-30—sSB 323
Human Services Committee
Appropriations Committee

AN ACT CONCERNING CAPITAL EXPENDITURES AT RESIDENTIAL CARE HOMES

SUMMARY: This act limits to a maximum of five years the time period over which the Department of Social Services (DSS) may capitalize certain costs incurred by residential care homes. The limit applies to the capitalization of costs of less than \$10,000 related to the improvement or repair of land, buildings, or fixed equipment purchased by residential care homes and reported to DSS for rate-setting purposes. Prior law required DSS to capitalize each of these costs over a time period based on its useful life as determined by the American Hospital Association.

“Capitalize” means to spread out the cost of an asset over time instead of charging off all the expense when it is incurred. By limiting the capitalization period, the act reduces the amount of time it would take for residential care homes to recover these costs from DSS (to the extent, if any, that some current costs of less than \$10,000 have a useful life longer than five years).

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Cost Reports

By law, nursing homes providing services to Medicaid recipients must provide annual cost reports to DSS. DSS uses these reports to calculate a per-diem rate to pay nursing homes for providing these services. In recent years, the legislature has moved away from cost-based rate setting, instead freezing or giving flat percentage increases to all facilities, but the cost reports are still required, as legislation periodically directs DSS to use them for rate setting in some cases. For FYs 14 and 15, the law allows DSS to increase the facility rates for those facilities with a calculated rate greater than the one in effect in FY 13 within available appropriations and other limits.

PA 14-55—sHB 5051
Human Services Committee
Judiciary Committee

AN ACT IMPROVING TRANSPARENCY OF NURSING HOME OPERATIONS

SUMMARY: By law, nursing homes must submit cost

reports annually to the Department of Social Services (DSS), which the department uses to establish per diem rates for caring for their Medicaid-eligible residents. This act expands the information that for-profit chronic and convalescent nursing homes must include about related parties in these reports. It also prohibits anyone from bringing a legal action against, or holding liable, the state, DSS, or any state official or agent for failing to take an action based on information that must be submitted to DSS in the cost reports.

The act makes changes affecting the Nursing Home Financial Advisory Committee. Generally, it changes the committee’s membership, sets a date by which it must convene, broadens the scope of its duties, and delays the deadline for its next quarterly meeting with the chairpersons and ranking members of certain legislative committees.

The act also makes technical changes.

EFFECTIVE DATE: Upon passage for the advisory committee provisions and July 1, 2014 for the cost report provisions.

COST REPORTS

State law requires nursing homes to submit cost reports to DSS annually by December 31. These reports include an accounting by the homes of any related-party transactions that occur during the reporting period. The act requires for-profit chronic and convalescent nursing homes to include with their cost reports the most recent finalized annual profit and loss statement from any related party that receives \$50,000 or more per year from the home for providing it with goods, fees, and services.

Under the act, “related party” includes any company related to the nursing home through a family association, common ownership, control, or business association with any of the home’s owners, operators, or officials. “Family association” means relationship by birth, marriage, or domestic partnership.

NURSING HOME FINANCIAL ADVISORY COMMITTEE

Membership

The act removes from the committee the (1) president of LeadingAge Connecticut, Inc. or the president’s designee and (2) executive director of the Connecticut Association of Health Care Facilities or the executive director’s designee. It adds to the committee the long-term care ombudsman and directs the governor to appoint a representative of (1) nonprofit nursing homes and (2) for-profit nursing homes. The act also allows the labor commissioner to appoint one nonvoting member.

By law, the commissioners of public health and social services, or their designees, are the committee chairpersons. The Office of Policy and Management secretary and the Connecticut Health and Education Facilities Authority executive director, or their designees, are also members.

Duties and Requirements

Prior law required the committee, after receiving a report on nursing homes' financial solvency and quality of care, to recommend to DSS and the Department of Public Health (DPH) appropriate action for improving the financial condition of any nursing home that was in financial distress. The act instead requires the committee to assess the overall infrastructure and projected needs of nursing homes operating in the state by evaluating any information and data available, including the (1) quality of care, (2) acuity, (3) census, and (4) staffing levels. The committee must recommend to DSS and DPH appropriate action consistent with the goals, strategies, and long-term care needs in DSS' strategic plan to rebalance Medicaid long-term care supports and services.

Meetings

Since 2010, the law has required the advisory committee to meet at least quarterly but, in practice, it has not done so. The act therefore requires it to convene by August 1, 2014.

The act delays, from July 1, 2014 until October 1, 2014, the next required quarterly meeting between the advisory committee and the chairpersons and ranking members of the Appropriations, Human Services, and Public Health committees. By law, the committee must meet with these legislators to discuss its activities concerning nursing homes' financial solvency and quality of care.

PA 14-115—sSB 322

*Human Services Committee
Appropriations Committee*

AN ACT CONNECTING THE PUBLIC TO BEHAVIORAL HEALTH CARE SERVICES

SUMMARY: This act requires the Office of the Healthcare Advocate, by January 1, 2015, to establish an information and referral service to help residents and providers receive (1) behavioral health care information and (2) timely referrals and access to behavioral health care providers. It specifies the responsibilities of the healthcare advocate or her designee in establishing the service.

The act requires the office, by February 1, 2016, and annually thereafter, to report to the Children's, Human Services, Insurance and Real Estate, and Public Health committees. The report must identify gaps in services and the resources needed to improve behavioral health care options for state residents.

EFFECTIVE DATE: July 1, 2014

RESPONSIBILITIES OF THE HEALTHCARE ADVOCATE

The act requires the healthcare advocate or her designee to collaborate with stakeholders, including (1) state agencies, (2) the Behavioral Health Partnership, (3) community collaboratives, (4) the United Way's 2-1-1 Infoline program, and (5) providers. She or the designee must identify factors that prevent residents from obtaining adequate and timely behavioral health care services. These include, among other things, (1) gaps in private behavioral health care services and coverage and (2) barriers to accessing care.

The advocate or designee must also (1) coordinate a public awareness and educational campaign directing residents to the information and referral service and (2) develop data reporting mechanisms to determine its effectiveness. The latter must track the:

1. number of referrals to providers, by type and location of providers;
2. waiting time for services; and
3. number of providers who accept or reject service requests based on type of health care coverage.

BACKGROUND

Behavioral Health Partnership

This program provides behavioral health services to people with public insurance, such as children enrolled in HUSKY A (Medicaid) or HUSKY B (the State Children's Health Insurance Program). It is a collaboration of the departments of Children and Families, Mental Health and Addiction Services, and Social Services; an oversight council; and a national managed behavioral health care company.

PA 14-116—sSB 324

Human Services Committee

AN ACT CONCERNING DEPARTMENT OF SOCIAL SERVICES AND AGING PROGRAMS

SUMMARY: This act explicitly allows the Department of Social Services (DSS) to pay an acute care general hospital for a dually eligible (Medicare and Medicaid)

patient's administratively necessary days when Medicare does not reimburse the hospital for those days. "Administratively necessary days" are those days when a patient remains in an acute care hospital, even though he or she no longer needs that level of care, while the hospital finds an appropriate placement. In practice, DSS pays for these days and subsequently recoups the payments during the cost settlement process with the hospital. (DSS is in the process of converting from a hospital payment methodology based on a patient's length of stay to one based on a patient's diagnosis.)

The act also makes several minor and technical changes, including changes conforming (1) to the transfer of the Fall Prevention Program's oversight to the Department on Aging and (2) a law regarding DSS' regulation adoption procedure to current practice.

EFFECTIVE DATE: Upon passage, except for a provision that makes technical changes, which is effective October 1, 2014, and the provision pertaining to acute care payments, which is effective July 1, 2014.

PA 14-132—HB 5323

Human Services Committee

AN ACT CONCERNING THE CHILD POVERTY AND PREVENTION COUNCIL

SUMMARY: This act adds three members, or their designees, to the Child Poverty and Prevention Council: the (1) housing commissioner, (2) agriculture commissioner, and (3) executive director of the Office of Early Childhood. By law, the council terminates on June 30, 2015.

The law requires budgeted state agencies that provide prevention services to children and are members of the council to report to the council annually by November 1. By law, "prevention services" are policies and programs that promote healthy, safe, and productive lives. Their purposes include reducing crime, violence, substance abuse, illness, academic failure, and other socially destructive behavior.

In addition to existing requirements, the act requires these agency reports to include (1) a list of agency programs that provide prevention services, (2) actual prevention service expenditures for the most recently completed fiscal year, and (3) agency expenditures on prevention services as a percentage of all agency expenditures.

For 2015 through 2020, the act directs budgeted state agencies that provide prevention services to submit these reports, annually by November 1, to the Appropriations, Children's, and Human Services committees.

Finally, the act eliminates a requirement that the governor's budget include a prevention report

corresponding with goals the council established. Prior law required this report, within available appropriations, for each biennial budget through June 30, 2021.

EFFECTIVE DATE: Upon passage

PA 14-142—HB 5325

*Human Services Committee
Appropriations Committee*

AN ACT ELIMINATING THE HOME-CARE COST CAP

SUMMARY: The Connecticut Home Care Program for Elders (CHCPE) provides home health and community-based services to frail elders as an alternative to nursing home care. This act eliminates the cost cap on community-based, Medicaid waiver-funded services, which, under prior law, was set at 60% of the weighted average cost of care in skilled nursing and intermediate care facilities.

The act also specifies that the state's cost for long-term facility care and all CHCPE services, not just the program's community-based services, cannot exceed the cost the state would have incurred to pay for nursing home care without the program.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

CHCPE

CHCPE operates under a three-tiered service structure that provides a range of services depending on the applicant's condition. Two tiers are state-funded; the third is authorized under a federal Medicaid waiver.

PA 14-157—sHB 5443

Human Services Committee

AN ACT CONCERNING COVERAGE UNDER STATE MEDICAL ASSISTANCE PROGRAMS FOR CERTAIN OVER-THE-COUNTER DRUGS

SUMMARY: This act expands the types of over-the-counter drugs the Department of Social Services (DSS) may pay for through its medical assistance programs to include those that must be covered as essential health benefits under the federal Affordable Care Act (ACA), including drugs rated "A" or "B" in the current U.S. Preventive Services Task Force (USPSTF) recommendations for people with specific diagnoses (see **BACKGROUND**). USPSTF's recommendations currently include (1) aspirin for men age 45 to 79 and women age 55 to 79 to prevent cardiovascular disease

and (2) folic acid for women who are pregnant or capable of pregnancy. The law generally bans DSS from paying for over-the-counter drugs, with the following exceptions:

1. over-the-counter drug coverage through the Connecticut AIDS Drug Assistance Program (CADAP),
2. insulin or insulin syringes,
3. nutritional supplements for people who must be tube fed or who cannot safely get nutrition in any other form, and
4. smoking cessation drugs.

EFFECTIVE DATE: Upon passage

BACKGROUND

USPSTF

The USPSTF is an independent panel of primary care providers who are experts in prevention and evidence-based medicine. They develop recommendations for primary clinicians and health systems based on scientific evidence reviews of clinical preventive health care services. The task force assigns preventive services it recommends a grade of “A” or “B.” Grade A means there is a high certainty that the net benefit is substantial. Grade B means there is a high certainty that the net benefit is moderate or a moderate certainty that the net benefit is moderate to substantial.

Since September 23, 2010, the ACA has required new individual and group health insurance plans to provide full coverage for preventive care and screenings that the USPSTF recommends, including vaccinations and cancer screenings (42 USC § 300gg-13(a)).

Related Act

PA 14-217, § 74, is identical to this act.

PA 14-158—sHB 5439

Human Services Committee

AN ACT CONCERNING BRAND NAME DRUG PRESCRIPTIONS FOR STATE MEDICAL ASSISTANCE RECIPIENTS

SUMMARY: This act makes it easier, in certain circumstances, for a medical practitioner to order a brand-name drug prescription for a medical assistance recipient. It does so by eliminating a requirement that the practitioner submit a hand-written prescription to a pharmacist stating “brand medically necessary” when he or she electronically submits a prescription for a medical assistance recipient specifying that there can be no substitution for the brand-name drug prescribed. The act instead requires the prescriber to select the code on

the certified electronic prescription that indicates a substitution is not allowed.

The law, unchanged by the act, still requires practitioners to include the phrase “brand medically necessary” on all written brand-name drug prescriptions for medical assistance recipients, including those the practitioner submits to the pharmacy to certify an order he or she placed by telephone.

Additionally, the act changes the law to reflect current Department of Social Services (DSS) practice by replacing references to “Medicaid” recipient with “medical assistance” recipient. DSS administers medical assistance through Medicaid and HUSKY B (the State Children’s Health Insurance Program, or SCHIP), and, in practice, the laws that apply to Medicaid recipients in Connecticut also apply to those receiving HUSKY B. The term “medical assistance” encompasses all such programs DSS administers.

The act also makes minor and technical changes.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Related Act

PA 14-224 (1) removes provisions pertaining to Medicaid prescriptions from the Department of Consumer Protection statutes and (2) makes similar changes as this act to the procedure all prescribers must follow to order brand-name drugs electronically.

PA 14-160—sHB 5440

*Human Services Committee
Appropriations Committee*

AN ACT CONCERNING MEDICAID REIMBURSEMENT FOR EMERGENCY DEPARTMENT PHYSICIANS

SUMMARY: This act allows, under certain circumstances, an emergency department physician to (1) enroll separately as a Medicaid provider and (2) qualify for direct reimbursement for professional services he or she provides in a hospital emergency department to a Medicaid recipient. These include services provided on the same day the recipient is admitted to the hospital. These provisions apply on and after January 1, 2015 and concurrent with the Department of Social Services (DSS) implementing a diagnosis-related group (DRG) method of reimbursing hospitals for serving Medicaid recipients (see BACKGROUND).

The act requires the DSS commissioner to pay these physicians the Medicaid rate for physicians under the physician fee schedule in effect at that time. If the

commissioner determines that paying a physician under this provision increases the state's cost, he must adjust the physician's rates to ensure budget neutrality. The commissioner must do this in consultation with the Connecticut Hospital Association and the Connecticut College of Emergency Physicians.

If the commissioner cannot implement these provisions by January 1, 2015, he must notify the Human Services and Appropriations committees at least 35 days before that date (November 27, 2014) that he cannot do so. The notice must include the (1) reasons why DSS cannot implement the provision by the deadline and (2) date by which it will be able to do so.

By law, the commissioner may implement policies and procedures regarding Medicaid hospital rates while adopting the policies and procedures as regulations. The act extends this provision to include the emergency department physician rates. Under prior law, to use this provision, the commissioner had to publish notice of intent to adopt the regulations in the *Connecticut Law Journal* no later than 20 days after the date of implementation. The act instead requires DSS to (1) submit the proposed policy electronically to the secretary of the state for online posting, (2) post the policy on its website, and (3) print the notice of intent to adopt the regulation in the *Connecticut Law Journal* no later than 20 days after adopting the policy. The policy is valid until the final regulations go into effect. By law, beginning October 1, 2014, all updates of the DSS policies and procedures manual must be posted on the eRegulations System.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

DRGs

Medicaid rates paid to acute care and children's hospitals must be based on DRGs established and periodically rebased by the DSS commissioner, provided DSS completes a fiscal analysis of the impact of this rate payment system on each hospital (CGS § 17b-239). A DRG is a statistical system of classifying inpatient stays into groups for the purposes of payment.

PA 14-161—sHB 5442

Human Services Committee

AN ACT CONCERNING THE STATE-ADMINISTERED GENERAL ASSISTANCE PROGRAM

SUMMARY: This act makes several changes in the State Administered General Assistance (SAGA) cash assistance program.

The act extends to married individuals the existing SAGA payment standards that apply to single SAGA recipients.

It removes outdated references to families receiving SAGA benefits (see BACKGROUND) and eliminates related requirements that (1) the SAGA payment standard for families equal 73% of the former Aid to Families with Dependent Children (AFDC) program standard of need in effect on June 30, 1995 and (2) a family eligible for SAGA receive \$50 less than the standard assistance the family would receive under the Temporary Family Assistance (TFA) program (which succeeded AFDC). It also conforms the law to current Department of Social Services (DSS) practice by establishing a \$500 asset cap for married couples receiving SAGA benefits. By law, the asset cap for an individual is \$250.

By law, families receiving TFA benefits continue to receive assistance (paid from SAGA funds) at the same level after an eligible dependent still living in the household is disqualified from TFA due to age. The provision applies to an eligible dependent who (1) is age 18 to 21, (2) lives with his or her family that is receiving TFA benefits, and (3) would be eligible for TFA benefits if he or she were under age 18. Prior law specified that such a person was eligible for benefits in the amount he or she would receive as an individual under TFA. The act instead limits the benefits to the amount for which he or she would receive as a dependent in a family, rather than an individual, receiving TFA funds. This change conforms the law to current DSS practice.

The act also makes several minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2014

SAGA ASSISTANCE STANDARDS FOR MARRIED INDIVIDUALS

In general, SAGA cash assistance is available to single or married, childless individuals who have very low incomes, do not qualify for any other cash assistance program, and are considered "transitional" or "unemployable." Prior law established payment standards for single unemployable or transitional individuals but did not set standards for married individuals. Under prior DSS policy, SAGA benefits for married individuals were calculated based on a percentage of the TFA payment standard, which varied depending on where the married individual lived. The act instead extends the same SAGA payment standards for single individuals to those who are married. By law, benefits are \$200 per month for unemployable individuals and transitional recipients who must pay for their shelter. Transitional recipients who do not pay for shelter receive \$50 per month.

BACKGROUND

SAGA and TFA

SAGA previously provided benefits to families who were ineligible for assistance through TFA, the state's version of the federal Temporary and Needy Family (TANF) program. Under former federal TANF eligibility guidelines, families in which the custodian was not biologically related to the children were not eligible for benefits. SAGA provided assistance to those families until the federal eligibility guidelines were expanded to include them, at which time DSS transferred qualifying families from SAGA to TFA.

PA 14-162—sHB 5500

*Human Services Committee
Appropriations Committee*

AN ACT CONCERNING PROVIDER AUDITS UNDER THE MEDICAID PROGRAM

SUMMARY: This act makes several changes in the Department of Social Services' (DSS) processes for auditing (1) Medicaid providers and (2) facilities that receive Medicaid or other state payments (including nursing homes, residential care homes, and intermediate care facilities for people with intellectual disabilities). Specifically, it:

1. limits the circumstances in which DSS may extrapolate audited claims;
2. allows an audited provider or facility to present evidence to the commissioner or an auditor to refute the audit's findings;
3. allows the DSS commissioner, when determining which providers and facilities to audit, to consider a provider's or facility's compliance history in addition to other audit criteria; and
4. requires DSS and DSS-contracted auditors, for auditing purposes, to have on staff or consult with, as needed, health care providers experienced in relevant treatment, billing, and coding procedures.

The act requires the DSS commissioner to adopt facility audit regulations to ensure fairness in the audit process, including associated sampling methodologies. The law already requires the commissioner to adopt such regulations for provider audits.

The commissioner must also establish and publish on DSS' website audit protocols to help providers and facilities comply with state and federal Medicaid laws and regulations. The audit protocols may not be relied upon to create a substantive or procedural right or benefit enforceable at law or in equity by anyone,

including a corporation.

The act also (1) requires DSS to provide free training to providers and facilities to help them avoid clerical errors and (2) imposes reporting requirements on DSS pertaining to the revised audit protocols and procedures.

EFFECTIVE DATE: July 1, 2014

CLAIM EXTRAPOLATION

Prior law allowed DSS or a DSS-contracted auditor to base a finding of provider or facility overpayment or underpayment on extrapolated projections if the claims' aggregate value exceeded \$150,000 on an annual basis. The act limits the circumstances in which DSS or an auditor may use extrapolation by increasing the minimum aggregate value of claims on which such method may be used to \$200,000 on an annual basis.

Under the act:

1. "extrapolation" means determination of an unknown value by projecting the results of the review of a sample to the universe from which the sample was drawn and
2. "universe" means a defined population of claims submitted by a provider during a specific time period.

AUDIT PROTOCOLS

Provider Protocols

The act requires the commissioner, by February 1, 2015, to establish and publish on DSS' website protocols to assist the Medicaid providers to develop programs to improve Medicaid state and federal law and regulation compliance. The commissioner must establish specific audit protocols for licensed home health agencies, drug and alcohol treatment centers, durable medical equipment, and the following types of services: (1) hospital outpatient, (2) physician and nursing, (3) dental, (4) behavioral health, (5) pharmaceutical, and (6) emergency and nonemergency medical transportation.

Facility Protocols

The act requires the commissioner, by April 1, 2015, to establish audit protocols to assist facilities subject to audit to develop programs to improve state and federal Medicaid law and regulation compliance. The commissioner must establish and publish on DSS' website audit protocols for:

1. licensed chronic and convalescent nursing homes and associated chronic disease hospitals,
2. rest homes with nursing supervision,
3. licensed residential care homes, and

4. licensed and certified intermediate care facilities for people with intellectual disabilities.

PROVIDER AND FACILITY TRAINING

The act requires DSS to (1) help facilities and providers avoid clerical errors by providing free training to (a) providers on how to enter claims and (b) facilities on cost report preparation and (2) post information on its website about the auditing process and ways to avoid clerical errors.

DSS REPORTING REQUIREMENTS

The act requires the commissioner to report to the Human Services Committee by (1) February 1, 2015 on DSS' progress concerning the audit protocols and procedures and (2) February 1, 2016 on their implementation.

PA 14-164—sHB 5441

Human Services Committee

AN ACT CONCERNING DIRECT PAYMENT OF RESIDENTIAL CARE FACILITIES

SUMMARY: This act allows the Department of Social Services (DSS) to pay Temporary Family Assistance (TFA) and State Supplement Program (SSP) benefits directly to a licensed residential care home or certain types of “rated housing facilities” through a per diem or monthly rate. Prior law generally required DSS to pay benefits directly to SSP and TFA participants.

The act extends certain regulations that apply to licensed residential care homes to rated housing facilities. These regulations concern SSP payments and the safeguarding of residents' personal funds. The act also extends provisions concerning retroactive payments and debits that already apply to residential care homes to rated housing facilities. It directs DSS to adopt regulations concerning payments to these facilities for residents and makes conforming and technical changes.

The act gives DSS discretion to withhold any retroactive rate increase from a licensed residential care home that fails, within 30 days of DSS' notification, to submit a complete and accurate annual cost report. DSS uses these reports to establish payment rates for facilities that provide care to Medicaid recipients. For any of the facilities required to submit this report, the law allows DSS to reduce the payment rate of those that fail to submit the report by up to 10%. The act expands this provision to include failure to file complete and accurate reports.

Finally, beginning in FY 14, the act directs DSS to give rate increases, within available appropriations, for any capital improvement a residential care home makes for the health and safety of its residents that is approved by DSS.

EFFECTIVE DATE: Upon passage, except the provision on rate increases for capital improvements is effective July 1, 2014.

DIRECT PAYMENT

Facilities Affected

The act allows DSS to directly pay SSP and TFA benefits to rated housing facilities and licensed residential care homes. Under the act, “rated housing facilities” are (1) boarding facilities or homes licensed by the departments of developmental services, mental health and addiction services, or children and families and (2) New Horizons, Inc. (a state-subsidized, independent living facility for people with severe physical disabilities located in Farmington). By law, DSS may make SSP and TFA payments to those furnishing medical care and other services to a beneficiary.

The act directs DSS to adopt regulations establishing methods for paying SSP benefits to rated housing facilities and licensed residential care homes. It also extends regulations concerning the safeguarding of residents' personal funds at licensed residential care homes to rated housing facilities.

In some cases, a resident may qualify for SSP benefits but still owe some portion of their income to the facility. (This amount is called “applied income.”) In these cases, the act directs DSS to pay the facility its monthly or per diem rate minus any applied income owed by the resident.

Temporary Absences

The act requires DSS, when adopting regulations regarding direct payment to facilities, to do so without regard to periods when the resident is absent, provided the resident can reasonably be expected to return to the facility before the end of the month following the month in which the resident left the facility. This allows DSS to pay a resident's SSP benefits directly to a facility when the resident is absent from the facility within this time period.

Rate Adjustments and Eligibility

SSP benefits are based on a person's living arrangement and income. DSS essentially calculates what it considers to be the person's monthly needs (which include a personal needs allowance) and subtracts it from his or her income (minus disregards).

The difference is the amount of the SSP benefit. Generally, those who DSS determines have an income greater than or equal to their needs receive no benefit. If a facility submits cost reports to DSS that result in a retroactive rate adjustment, it is possible that a resident who was not initially eligible for any SSP benefit would become eligible, as his or her monthly needs would increase by the amount of the rate adjustment. The act directs DSS to determine the starting date of eligibility for residents in this situation to be either the date the resident was admitted to the facility or 90 days before DSS received the application, whichever is later.

PA 14-172—sSB 106

Human Services Committee

Education Committee

Labor and Public Employees Committee

**AN ACT CONCERNING IMPROVING
EMPLOYMENT OPPORTUNITIES THROUGH
EDUCATION AND ENSURING SAFE SCHOOL
CLIMATES**

SUMMARY: This act (1) makes several changes in the responsibilities of school districts to address bullying, (2) allows educational courses to qualify as a Temporary Family Assistance (TFA) work activity, and (3) establishes a competitive early childhood grant program.

Concerning bullying, it requires separate meetings with the parents or guardians of a bullying victim and those of his or her assailants, rather than a combined meeting, and makes related minor and conforming changes.

The act requires the social services (DSS) and labor (DOL) commissioners to permit a TFA recipient to take educational courses as part of the requirements of his or her employability plan. They must do so as long as the (1) state complies with federal work participation requirements for the employment services program and (2) education courses are approved by the DOL commissioner. The act specifies the types of courses the commissioner can approve.

Finally, the act allows the Office of Early Childhood (OEC) to offer a grant for up to three alliance school districts to develop and implement a strategy to promote the social and emotional well-being and health of children from age three to third grade. If the office offers this grant, it must do so in collaboration with the State Department of Education (SDE). The program must focus on instructional tools and family engagement. Funds for this grant may come from public, private, federal, or philanthropic sources. Up to 5% of the grant funds can be used to pay administrative costs.

Alliance districts are the 30 lowest-performing school districts, as identified by the SDE commissioner.
EFFECTIVE DATE: July 1, 2014

BULLYING

Safe School Climate Plans

By law, each local and regional board of education must develop and implement a safe school climate plan to address bullying in its schools. Under prior law, the plan required a school to invite the parents or guardians of (1) a student who commits a verified act of bullying and (2) the victim to a meeting to discuss the measures the school was taking to ensure the victim's safety and prevent further bullying. The act instead requires that the bully's parents or guardians be invited to a meeting, separate from the one held with the victim's parents or guardians, to discuss specific interventions the school has undertaken to prevent further bullying.

By law, the plan must require the safe school climate specialist to investigate or supervise the investigation of all reports of bullying and ensure that such investigation is completed promptly. The act additionally requires that the parents or guardians of the alleged bully and alleged victim receive prompt notice that such investigation has begun.

The act requires that the annual notice to be provided under the plan to students and their parents or guardians on how students can anonymously report bullying be provided at the beginning of each school year.

Bullying Intervention and School Climate Improvement Strategy

By law, the plan must include a "prevention and intervention strategy." The act allows the strategy to include, in addition to the already authorized components, culturally competent school-based curricula on social-emotional learning, self-awareness, and self-regulation.

By law, the strategy may include interventions for the bullied child. The act defines these to include (1) referrals to a school counselor, psychologist, or other appropriate social or mental health services and (2) periodic follow-up by the safe school climate specialist with the child. The act allows funding for the strategy to come from public, private, federal, or philanthropic sources.

**TAKING COURSES TO MEET TFA
REQUIREMENTS**

Unless exempt, able-bodied adults in households receiving TFA must engage in work activity as a condition of receiving TFA. Federal law allows

specified educational programs to count as work activity.

By law, DSS must assess each person found eligible for time-limited TFA benefits to develop an employability plan for him or her. DSS must then refer the person to DOL which, with the regional workforce development board, must finalize the plan and identify the services the person needs to fulfill the plan (CGS § 17b-689c).

Under the act, the DSS and DOL commissioners must permit a TFA recipient to take education courses as part of the requirements of the recipient's employability plan as long as the (1) state complies with federal work participation requirements for the state's employment services program and (2) education courses are approved under the act.

The act allows the DOL commissioner, in consultation with the DSS commissioner, to approve education courses as required employment activities for a TFA recipient to the extent permissible under federal law. Eligible courses may include (1) two- or four-year college degree programs and (2) high school graduate equivalency degree or basic education programs for recipients otherwise ineligible to enroll in these programs during their first 20 hours per week of required employment activities.

The act requires the DOL commissioner, in consultation with the DSS commissioner, to implement policies and procedures to establish (1) which programs qualify as an approved employment activity and (2) enrollment and academic requirements for students who are TFA recipients. The DOL commissioner must implement these policies and procedures while adopting them as regulations, as long as he provides notice of intent to adopt the regulations within 20 days of implementing the interim policies and procedures.

The interim policies and procedures are valid until the final regulations take effect.

The act cannot be construed as requiring the state to pay the tuition of any TFA recipient.

PA 14-206—SB 321

Human Services Committee

AN ACT CONCERNING MEDICAID COST SAVINGS

SUMMARY: This act adds six members to the Council on Medical Assistance Program Oversight, one each appointed by the six legislative leaders. These members must work solely on a new standing subcommittee of the council the act creates. The subcommittee must study and make annual recommendations to the council on evidence-based best practices concerning Medicaid cost savings. The

subcommittee must choose its chairpersons from among its members and must file its first report with the council by January 1, 2015.

EFFECTIVE DATE: Upon passage

NEW COUNCIL MEMBERS SERVING ON SUBCOMMITTEE

The act adds the following members to the council:

1. a member of the Connecticut Hospital Association, appointed by the House speaker;
2. a representative of the business community with experience in cost efficiency management, appointed by the Senate president pro tempore;
3. a representative of the for-profit nursing home industry, appointed by the House majority leader;
4. a physician who serves Medicaid clients, appointed by the Senate majority leader;
5. a representative of the not-for-profit nursing home industry, appointed by the House minority leader; and
6. a representative of the business community with experience in cost efficiency management, appointed by the Senate minority leader.

BACKGROUND

Medical Assistance Program Oversight Council

The council advises the social services commissioner on the planning and implementation of the HUSKY A and B and Medicaid programs. It monitors Medicaid care management initiatives. It also makes recommendations in a wide range of areas, such as the enrollment process, the sufficiency of Medicaid provider rates, and the benefits package for each of the affected programs.

PA 14-209—sSB 410 (VETOED)

Human Services Committee

Appropriations Committee

AN ACT CONCERNING ADMINISTRATIVE HEARINGS CONDUCTED BY THE DEPARTMENT OF SOCIAL SERVICES

SUMMARY: This act makes several changes in the procedures the Department of Social Services (DSS) must follow when conducting an administrative hearing on an appeal of a department decision.

The act exempts DSS from certain provisions of the Uniform Administrative Procedure Act (UAPA)

pertaining to communications during contested cases (see BACKGROUND). Under the act, if DSS is hearing a contested case and has an adverse interest to any party in the proceeding, the hearing officer cannot communicate directly or indirectly with any other DSS employee, including counsel, about any issue of fact or law in the hearing without advance notice and opportunity for all parties to participate on the record.

The act also:

1. allows more people to request a hearing;
2. makes it easier to request a hearing by allowing such requests to be made by mail, telephone, or any electronic means DSS determines acceptable, rather than just in writing;
3. lengthens, from (a) 30 to 45, the number of days within which DSS generally must hold a hearing after receiving a request and (b) 90 to 105, the number of days within which DSS generally must issue a final decision after the initial hearing request;
4. explicitly allows up to three continuances; and
5. broadens the circumstances in which the aggrieved person may be excused from appearing personally at the hearing.

The act additionally makes several minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2014

HEARING REQUESTS AND NOTICE

The law allows an aggrieved person or his or her conservator to request an administrative hearing on a DSS decision. The act additionally allows hearings to be requested by (1) an authorized representative who meets state and federal legal requirements and (2) anyone with legal authority to act on the aggrieved person's behalf. This includes, in addition to a conservator, a legal guardian; a person with power of attorney, if permitted under the terms of the designation; or, for a deceased person, an estate executor or administrator. The act allows hearing requests to be filed by mail, telephone, or any electronic means that DSS determines acceptable. Previously, such requests could only be made in writing. The request must be made to DSS and include the reasons why the person claims to be aggrieved.

Prior law required an aggrieved person or his or her conservator to mail a hearing request to the commissioner within 60 days after the department rendered its decision. The act instead prohibits DSS from holding a hearing unless it receives the request within 65 days of the department's decision, unless otherwise prescribed by federal law. The act also lengthens, from 30 to 45, the number of days within which DSS must hold a hearing after receiving a request. It requires DSS to notify the aggrieved person

and, if applicable, the person who requested the hearing on his or her behalf of the hearing time and place. Under prior law, DSS had to provide the notice only to the aggrieved person.

APPEARANCE AT HEARING

Under prior law, the aggrieved person had to appear personally at the hearing unless his or her physical or mental condition precluded him or her from doing so. The act instead excuses the aggrieved person from appearing personally at the hearing if (1) he or she is represented by legal counsel who appears at the hearing and (2) the hearing officer determines that the person's or his or her representative's testimony is not required. Under the act, the aggrieved person's or his or her representative's testimony may be accepted by telephone in lieu of personal appearance, at the hearing officer's discretion.

HEARING DECISION

Prior law required the commissioner or hearing officer to render a final decision within 60 days of a hearing, based on the evidence introduced and applying all pertinent provisions of the law, regulations, and department policy. It also required the commissioner or his designee to take final definitive administrative action within 90 days after the hearing was requested. The act instead requires the department to issue the final decision within 60 days after the hearing's record closes and within 105 days after the hearing request.

BACKGROUND

UAPA

The UAPA prohibits hearing officers or members of an agency who are to render a final decision in a contested case from communicating (1) about any issue of fact with any person or party or (2) in connection with any issue of law, with any party or the party's representative, without notice and opportunity for all parties to participate (CGS § 4-181(a)). It also makes an exception that allows members of multimember agencies or hearing officers to receive aid and advice from members, employees, or agents of the agency in certain circumstances (CGS § 4-181(b)).

The UAPA also prohibits anyone with a direct or indirect interest in the outcome of a contested case from communicating directly or indirectly about any issue in the case with a hearing officer or any member of the agency without advance notice and opportunity for all parties to participate in the communication (CGS § 4-181(c)).

PA 14-6—sSB 188

Insurance and Real Estate Committee

AN ACT CONCERNING CAPTIVE INSURANCE COMPANIES

SUMMARY: This act makes unrelated changes in Connecticut's laws regarding captive insurance companies. A captive insurer is an insurance company or entity formed to insure or reinsure the risks of its owners. The law allows a captive to be licensed and domiciled in Connecticut to transact life insurance, annuity, health insurance, and commercial risk insurance business.

Among other things, the act:

1. explicitly bars a captive from writing personal risk insurance for private passenger motor vehicle or homeowners' insurance;
2. expands the types of coverage a branch captive insurer may write;
3. establishes provisions for a captive to follow when relocating to Connecticut; and
4. extends various insurance statutes to captives, including those regarding the acquisition of controlling interest.

EFFECTIVE DATE: October 1, 2014

§ 1 — PERSONAL LINES LIMITATION

Under prior law, no captive insurer could write private passenger motor vehicle or homeowners' insurance. The act specifies that no captive may write personal risk insurance for private passenger motor vehicle or homeowners' insurance. Thus, as under prior law, a captive may write commercial risk insurance, including commercial motor vehicle insurance.

§ 2 — BRANCH CAPTIVE

The act expands the types of coverage branch captives may write by eliminating a provision that restricts them to writing only the employee benefits of their parent and affiliated companies. By law, these captives are formed under the laws of another country and licensed by the insurance commissioner to transact business in Connecticut through a business unit with a principal place of business here.

Under prior law, a branch captive could not do insurance business in Connecticut unless it maintained its only principal place of business here. The act instead requires that the branch captive maintain one of its principal places of business here.

§§ 3, 4, & 6 — TRANSFER OF DOMICILE

The act allows a captive insurer to transfer its domicile (home state) to Connecticut, as other insurers

are permitted to do, by complying with laws regarding a company's organization and licensing and designation of its principal place of business in Connecticut (redomestication).

The act specifically allows any pure captive insurer, association captive insurer, industrial-insured captive insurer, risk retention group, sponsored captive insurer, or special purposes financial captive insurer organized under the laws of another state to become a domestic captive insurer of the same type by complying with Connecticut law.

§ 5 — CREDIT FOR REINSURANCE

By law, a captive may reinsure another insurer's risks, but only those risks the captive is authorized to insure directly. It can also take credit as an asset or deduction from liability for ceding risks to certain reinsurers. The act allows the commissioner to approve, in writing, credit for reinsurance in other circumstances.

§§ 6-8 — APPLICABILITY OF INSURANCE STATUTES

Miscellaneous

The act requires captives to comply with certain insurance statutes. It allows a domestic captive to change its location within the state (CGS § 38a-58).

It requires a domestic captive to adopt policies and procedures to prevent directors, officers, employees, and other people from inappropriately benefiting from a conflict of interest arising from their position in, or special knowledge of, the company (CGS § 38a-102h).

The act requires a captive formed as a risk retention group and licensed here to have (1) its surplus funds bear a reasonable relationship to its liabilities and (2) risk-based capital related to its total adjusted capital that is adequate for the types of business transacted (CGS § 38a-72(d)). It also applies the law governing business transactions with producer-controlled insurance companies to risk retention groups (CGS §§ 38a-91 to 38a-91d).

Acquisition of Controlling Interest

The act requires a risk retention group to comply with the laws regarding a proposed acquisition or other change of control (CGS §§ 38a-129 to 140).

In addition, the act authorizes the insurance commissioner to require, with notice, certain other captives to also comply with these laws. Specifically, he may require a pure captive insurer to comply with these laws when (1) a subsidiary's assets are greater than 10% of the parent company's assets or (2) the pure captive insurer is owned by a holding company system. He may require an industrial-insured captive insurer or an

association captive insurer to comply with them when (1) any member's ownership of the company is greater than 10% or (2) the insurer is owned by a holding company system.

Under the act, the commissioner may remove this compliance requirement on a pure, industrial-insured, or association captive insurer if the company demonstrates to the commissioner that the condition that triggered the compliance requirement no longer exists and no other triggering condition exists.

PA 14-8—SB 9

Insurance and Real Estate Committee

AN ACT REQUIRING CERTAIN DISCLOSURES FOR LONG-TERM CARE INSURANCE POLICIES

SUMMARY: This act expands disclosure requirements for individual and group long-term care (LTC) insurance policies. It also extends the disclosure requirements to group policies delivered or issued for delivery (1) to one or more employers or labor organizations or a trust they or the fund's trustee establish and (2) for employees or former employees, members or former members, or the labor organizations.

The act requires disclosures to be in writing. For group policies, it requires the policyholder to provide a copy of the disclosure to each eligible individual.

The act requires an applicant for an individual or group policy to sign an acknowledgment when applying that the insurer has provided the required disclosure to him or her. If the application method does not allow for a signature at the time of application, the applicant must sign the acknowledgment by the time the policy is delivered.

The act applies to policies delivered or issued for delivery by insurance companies, fraternal benefit societies, hospital and medical service corporations, and health care centers (i.e., HMOs). By law, disclosure requirements do not apply to group plans that require no contributions from members.

EFFECTIVE DATE: January 1, 2015

LONG-TERM CARE INSURANCE DISCLOSURES

Disclosure Requirements

By law, entities that provide LTC insurance policies must give applicants full and fair disclosure of the policy benefits and limitations, with some exceptions. The act generally requires this disclosure to include:

1. a statement that the policy's premiums may be subject to future rate increases;
2. an explanation of potential future premium rate revisions and the policyholder's option if a premium rate is revised;
3. the premium rate or rate schedule that applies to the applicant until the insurer files a request with the insurance commissioner to revise the rate or rate schedule;
4. an explanation of how a premium rate or rate schedule revision will be applied and when it will go into effect; and
5. information on each premium rate increase, if any, over the past 10 years on the policy form or similar policy forms for Connecticut or any other state that at least identifies the (a) policy forms for which rates have been increased, (b) calendar years when each policy form was available for purchase, and (c) amount or percentage of each increase, expressed either as a percentage of the prior rate or as minimum and maximum percentages if the rate increase is variable by rating characteristics.

The insurer can provide, in a fair manner, any additional explanatory information related to a rate or rate schedule revision.

Disclosure Exceptions

Disclosure requirements do not apply to LTC policies for which no applicable premium rate revision or rate schedule increases can be made.

The insurer may exclude from the disclosures rate increases that apply only to blocks of business or LTC policies acquired from a nonaffiliated insurer that occurred before the acquisition. In addition, if an acquiring insurer files a rate increase request on or before January 1, 2015, or the end of a 24-month period after the acquisition, whichever is later, for a block of LTC policies or policy forms acquired from a nonaffiliated insurer, the acquiring insurer may exclude the rate increase from the disclosure. But the nonaffiliated insurer selling the same block of policies or policy forms must include the rate increase in its disclosure.

If an acquiring insurer files a subsequent request for a rate increase on the same LTC policies or policy forms, even within the 24-month period, it must include in the disclosure the rate increase and any premium rate increase filed and approved under the act.

PA 14-10—sSB 199*Insurance and Real Estate Committee***AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATE INCREASES**

SUMMARY: This act requires long-term care (LTC) insurance policy issuers (carriers) to spread premium rate increases of 20% or more over at least three years. It also requires LTC carriers to notify individual policyholders and group certificate holders of any premium rate increase and provide them the option of reducing benefits to reduce the premium rate.

EFFECTIVE DATE: October 1, 2014

LONG-TERM CARE PREMIUM INCREASES*Periodic Rate Increase*

The act requires an LTC carrier, including an insurer, fraternal benefit society, health or medical service corporation, or health care center, that files with the insurance commissioner a rate filing that increases LTC policy premiums by 20% or more to spread the increase over a period of at least three years. The carrier must use a periodic rate increase actuarially equivalent to a single rate increase and a current interest rate for the period chosen.

Notification of Premium Increase and Benefit Reduction Option

The act requires an LTC carrier, before implementing any premium rate increase, to notify its policyholders (for individual policies) and certificate holders (for group policies) of the rate increase and provide them the option of reducing policy benefits to reduce the premium rate. The notice must describe the optional policy benefit reductions. Premium rates for benefit reductions must be based on the new premium rate schedule.

The act requires an LTC carrier to give policyholders and certificate holders at least 30 days to elect reduced policy benefits. The notice must state that a policyholder or certificate holder who fails to elect reduced policy benefits within the given time period and who does not cancel coverage is deemed to have elected to retain the existing policy benefits. (In this case, the premium rate increase will become effective.)

PA 14-20—sSB 280*Insurance and Real Estate Committee***AN ACT CONCERNING UNINSURED AND UNDERINSURED MOTORIST COVERAGE OFFSETS**

SUMMARY: This act prohibits insurers from reducing uninsured and underinsured motor vehicle insurance coverage payments by amounts paid by or on behalf of a tortfeasor (i.e., person at fault) for (1) bodily injury to anyone other than a person insured by the policy under which the claim is made or (2) property damage. Thus, the insurer can reduce the coverage payments by amounts a tortfeasor paid for bodily injury to a person insured by the policy. The law, unchanged by the act, already prohibits insurers from reducing such coverage payments by amounts an insured person receives from Social Security disability benefits.

The act applies to auto liability insurance policies issued or renewed on or after October 1, 2015.

EFFECTIVE DATE: October 1, 2015

BACKGROUND*Uninsured and Underinsured Motorist Coverage*

Uninsured motorist coverage compensates a policyholder for expenses incurred when another driver who is at fault for an accident has no auto liability insurance or is a hit-and-run driver. Underinsured motorist coverage compensates a policyholder when the at-fault driver has an insufficient amount of auto liability insurance.

Related Act

PA 14-71 prohibits insurers from denying uninsured motorist coverage to a named insured or related household member solely because he or she is struck as a pedestrian by, and during the theft of, a covered vehicle the insured owns.

PA 14-40—HB 5578*Insurance and Real Estate Committee***AN ACT CONCERNING THE HEALTH INSURANCE GRIEVANCE PROCESS FOR ADVERSE DETERMINATIONS**

SUMMARY: This act eliminates the requirement that health carriers (insurers) contract with “clinical peers” to conduct utilization reviews. It requires that carriers have procedures to ensure that appropriate or required individuals, rather than clinical peers, are designated to conduct these reviews. By law, clinical peers are health

care professionals licensed in the same or a similar specialty as the one that typically manages the medical condition, procedure, or treatment under review. Carriers must contract with health care professionals to administer their utilization review programs.

By law, carriers must contract with clinical peers to evaluate the clinical appropriateness of adverse determinations (e.g., claims denials). For cases when an urgent care request involves a substance use or mental disorder, the clinical peer must be a psychologist or psychiatrist with specified qualifications. In such cases involving psychologists, the act requires the psychologist to hold a doctoral level psychology degree instead of board certification. It also requires the psychologist to have both, rather than either, training and relevant experience in the relevant field (i.e., child and adolescent substance use disorder, child and adolescent mental disorder, adult substance use disorder or adult mental disorder). The act also eliminates the requirement that psychiatrists evaluating such cases have training or clinical experience in the relevant field. By law, such psychiatrists must be board-certified.

By law, a carrier must notify an insured and, if applicable, his or her authorized representative, of an adverse determination. The act eliminates the requirement that the notice state that the insured or representative may benefit from free assistance from the Insurance Department's Division of Consumer Affairs ("division"). Similarly, the law requires the carrier to provide notice when an internal review of an adverse determination that was not based on medical necessity upholds the initial decision. The act eliminates the requirement that this notice disclose the insured's right to contact the commissioner's office. The act retains parallel notice requirements regarding the Office of the Healthcare Advocate.

The act also makes conforming changes.
EFFECTIVE DATE: Upon passage

BACKGROUND

Utilization Reviews

Utilization reviews are techniques carriers use to monitor the use, or evaluate the medical necessity, appropriateness, efficacy, or efficiency; of health care services, procedures, or settings. Among other things, they can include monitoring or evaluating activities conducted to manage the care of patients with serious, complicated, or protracted health conditions or to review care on a prospective, concurrent review, or retrospective basis.

PA 14-64—HB 5023

Insurance and Real Estate Committee

AN ACT CONCERNING PORTABLE ELECTRONICS INSURANCE

SUMMARY: This act establishes licensing and regulatory requirements for portable electronics insurance. It requires a seller (i.e., one who leases or sells portable electronics) offering or selling portable electronics insurance in Connecticut to obtain a license from the insurance commissioner. It establishes the following fees: \$100 for filing an application for an initial license, \$500 for the initial license, and \$450 for a license renewal. Licenses are valid for two years.

The act (1) requires sellers to make certain information about portable electronics insurance available to prospective buyers and (2) allows buyers, insurers, and sellers to cancel coverage under certain conditions.

The act exempts specified portable electronics insurance claims employees from Connecticut's casualty claims adjuster licensing requirements. It also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2014

§§ 1 & 3 — PORTABLE ELECTRONICS INSURANCE

§ 1(a) — Definitions

The act applies to insurance coverage for repairing or replacing a portable electronic device due to loss, theft, mechanical failure, malfunction, damage, or other similar causes of loss. It excludes an extended warranty; an insurance policy covering a seller's or manufacturer's obligations under a warranty; and a homeowners', renters', or other insurance policy that provides similar coverage.

A "portable electronic device" is any self-contained, easily carried electronic equipment for personal use for communicating, viewing, listening, recording, playing video games, computing, or global positioning. It includes a cellular or satellite telephone, paging device, personal global positioning system unit, portable computer, audio listening or recording device, digital camera, portable video game system, telephone answering machine, docking or charging station for a portable electronic device, and similar devices. It also includes accessories for, and services related to, the use of such devices.

§ 1(b)(1) & (2) — Seller Must Obtain License

The act prohibits a seller from offering or selling portable electronics insurance in Connecticut without first obtaining a portable electronics insurance license

from the insurance commissioner. The license must authorize the seller's employees or representatives to offer or sell portable electronics insurance at each of the seller's locations, including any physical location in Connecticut or Internet website or call center site directed at Connecticut residents.

The act allows a seller offering or selling portable electronics insurance in Connecticut before October 1, 2014 to continue offering or selling it during the licensing process (see below).

The seller's employees or representatives do not have to be individually licensed as insurance producers in the state if the:

1. seller obtains and maintains a portable electronics insurance license,
2. insurer providing coverage or its "supervising entity" oversees the administration of the seller's portable electronics insurance program, and
3. employees and representatives do not hold themselves out as licensed insurance producers.

Under the act, a "supervising entity" is a Connecticut-licensed (1) insurer authorized to write personal or commercial risk insurance here or (2) insurance producer appointed by an insurer to supervise the insurer's portable electronics insurance program.

§§ 1(b)(3) & 3 — Licensing Process and Fees

A seller seeking a portable electronics insurance license must submit a sworn license application to the Insurance Department on a form the commissioner prescribes, with a \$100 filing fee. The license application must include the (1) applicant's home office address and (2) name, residential address, and other information the commissioner may require for the seller's officer or employee who is responsible for the seller's compliance with the act. If the seller derives more than half of its revenue from selling portable electronics insurance, the application must include the name, home address, and other information the commissioner may require for the seller's (1) shareholders who own 10% or more of its securities and (2) officers and directors.

A seller offering or selling portable electronics insurance in Connecticut before October 1, 2014 must apply for a license within 90 days after the commissioner makes the application available. Beginning October 1, 2014, a seller seeking to offer or sell such insurance here must obtain a license before doing so.

The act requires the seller to pay a \$500 fee for the initial license. It specifies that a license is valid for two years. A seller who wants to renew a license must submit to the Insurance Department any changes to the

initial application, other information the commissioner may require, and a \$450 fee.

§ 1(g) — License Suspension, Revocation, and Refusal to Issue or Renew

The act authorizes the commissioner, after notice and hearing, to suspend or revoke a portable electronics insurance license for cause. In addition to or in lieu of a suspension or revocation, the commissioner may impose a fine of up to \$5,000.

In lieu of a suspension or revocation, he may issue a cease and desist order suspending the seller's ability to offer or sell portable electronics insurance at specific locations or through specific employees or representatives.

The act also authorizes the commissioner, after notice and hearing, to refuse to issue or renew a portable electronics insurance license for cause. An aggrieved person may appeal the commissioner's action to the New Britain Superior Court.

§1(c) & (d)(1) — Insurance Disclosure

The act requires a seller, at each location where he or she offers or sells portable electronics insurance, to make specified information available to prospective buyers in writing. The information must disclose:

1. that portable electronics insurance may duplicate insurance coverage already provided by a buyer's homeowners', renters', or other insurance policy;
2. that a buyer need not buy portable electronics insurance to lease or purchase portable electronics;
3. how to file a claim, including how to return a portable electronic device, and the maximum fee if the buyer does not comply with the return requirements;
4. that a buyer of portable electronics insurance may cancel the coverage at any time and the person who paid the premium may receive a refund of or credit for any applicable unearned premium;
5. the identity of the insurer and any supervising entity for the insurance program;
6. any applicable deductible and how the deductible is paid; and
7. a summary of the insurance benefits, key terms, and conditions, including whether portable electronic devices can be repaired or replaced with reconditioned devices of similar make and model or nonoriginal manufacturer parts or equipment.

Additionally, if the insurance is included at no charge with a portable electronic device lease or purchase, the seller must clearly and conspicuously disclose this in writing with the lease or purchase.

§ 1(d) — Premium Payments

The act authorizes a seller to bill for and collect premium payments for portable electronics insurance if (1) premium payments are itemized separately on the buyer's invoice and (2) the seller remits premiums to the insurer within 60 days after collection.

The insurer may compensate the seller for this premium billing and collection service as mutually agreed. The seller can commingle premiums collected with other accounts if the insurer allows it to do so. But the seller must hold all premium payments collected in a fiduciary capacity for the benefit of the insurer.

§ 1(e) — Insurer and Supervising Entity

Portable electronics insurance cannot be issued, sold, or offered except by an insurer authorized to sell that line of business in Connecticut. A portable electronics insurance policy may be issued as a group policy or master commercial inland marine policy to a seller for buyers who enroll in the insurance program (i.e., enrolled buyers). The insurer must file the policy form with the insurance commissioner for his approval.

If a portable electronics insurer does not directly supervise the administration of a seller's insurance program, the insurer must appoint a supervising entity and provide the commissioner and the seller with the entity's name and contact information.

A supervising entity must maintain a registry of seller locations in the state authorized to offer or sell the insurer's portable electronics insurance policies. The entity must make the registry available to the insurance commissioner or his designee for inspection and examination during regular business hours. The commissioner must give the entity 10 days to make the information available.

§ 1(f) — Cancellation Provisions and Insurer Policy Changes

The act specifies that buyers, insurers, and sellers may cancel coverage under certain conditions. It also allows an insurer to change the policy terms with notice to the policyholders and enrolled buyers.

Buyers. The act allows an enrolled buyer to cancel coverage under a portable electronics insurance certificate at any time orally or in writing. An oral cancellation must be made to the seller at the location where the buyer elected coverage or to a telephone number specified for the purpose. A written cancellation must be sent to the insurer or seller, depending on the

one to whom the buyer pays premiums.

If the buyer cancels coverage with the seller, the seller must notify the supervising entity or insurer of the cancellation within three days after receiving the cancellation from the enrolled buyer. If sent to the supervising entity, the entity must notify, or forward the cancellation to, the insurer.

The insurer must refund or credit any unearned premium to the person who paid the premium within 60 days after receiving a cancellation.

Insurers. The act allows an insurer to cancel, terminate, or change the terms and conditions of a portable electronics insurance policy after providing at least 30 days' written notice to the policyholders (i.e., sellers) and enrolled buyers. If the insurer is changing the policy terms and conditions, it must provide (1) the policyholder with a revised insurance policy or endorsement and (2) each enrolled buyer with a revised insurance certificate, endorsement, updated brochure, or other document summarizing the material changes.

An insurer may cancel a portable electronics insurance policy or certificate for nonpayment of premiums with 15 days' written notice to the policyholder and enrollees, respectively. A policyholder or enrollee may avoid cancellation by paying the premium due in full before the cancellation's effective date. The act prohibits an insurer from cancelling a buyer's insurance for nonpayment of a premium if the buyer paid premiums on time to the seller (§ 1(d)(2)(B)).

Additionally, an insurer may cancel a portable electronics insurance certificate with 15 days' written notice to the policyholder and enrolled buyer for fraud or material misrepresentation by the enrolled buyer in obtaining the insurance coverage or in making a claim.

Lastly, an insurer may cancel an enrolled buyer's portable electronics insurance certificate immediately if the buyer (1) terminates service with the seller or (2) exhausts the insurance coverage limit, provided the insurer sends the buyer a written cancellation notice within 30 days after the buyer exhausts the coverage limit. If notice is not sent in time, coverage must continue regardless of the limit until the insurer sends notice to the enrolled buyer.

Sellers. The act allows a seller to terminate a portable electronics insurance policy at any time if it provides at least 30 days' written notice to the insurer or supervising entity and each enrolled buyer. The notice must include the termination's effective date.

Written Notices. All written notices must be sent by U.S. mail or electronically to the (1) buyer's last-known mailing or email address on file with the insurer or seller and (2) insurer's or seller's mailing or email address specified for the purpose. An enrolled buyer who provides an insurer or seller with an email address consents to receiving correspondence electronically.

Each seller, insurer, or supervising entity acting on behalf of an insurer or seller must keep, for at least three years, proof that the notices were sent.

§ 2 — CASUALTY ADJUSTER LICENSING EXEMPTION

The act exempts certain portable electronics insurance claim employees from Connecticut's casualty claims adjuster licensing requirement. The law already exempts Connecticut attorneys in the general practice of law who are in good standing. By law, a violator is subject to a fine of up to \$2,000, imprisonment for up to one year, or both.

Specifically, the act exempts from the casualty claims adjuster licensing requirement a Connecticut-licensed insurance company's, casualty adjuster's, or affiliate's employee who collects or furnishes claim information and enters data into an automated claims adjudication system for portable electronics insurance claims. The employee must be one of no more than 25 such employees under the supervision of a licensed casualty claims adjuster or insurance producer who adjusts portable electronic insurance claims. The act specifies that a licensed insurance producer adjusting portable electronics insurance claims or supervising people under this section does not have to be licensed as a casualty adjuster.

The act defines "automated claims adjudication system" as a preprogrammed computer system designed for the collection, data entry, calculation, and resolution of portable electronics insurance claims. The system must (1) be used only by a supervised employee of a Connecticut-licensed casualty claims adjuster or insurance producer and (2) comply with all claims payment requirements under Connecticut law.

PA 14-74—HB 5248

Insurance and Real Estate Committee

AN ACT CONCERNING CERTIFICATES OF INSURANCE FOR PROPERTY AND CASUALTY INSURANCE COVERAGE

SUMMARY: This act prohibits people from using property and casualty insurance "certificates of insurance" for specified purposes. It defines a "certificate of insurance" as a document or instrument an insurer or insurance producer prepares or issues as evidence that personal or commercial risk insurance has been issued on property, operations, or risks located in Connecticut. A certificate of insurance does not include insurance policies, binders, endorsements, or auto insurance identification cards.

Under the act, no one may:

1. prepare, deliver, or issue a certificate of insurance that includes false or misleading information about the coverage provided in the underlying policy;
2. amend or alter a certificate or deliver or issue a new certificate unless the amendment or certificate accurately reflects the underlying insurance policy;
3. represent that a certificate confers new or additional rights to anyone beyond those covered by the underlying policy;
4. represent that amending a certificate will alter, amend, or extend the coverage provided by the underlying policy;
5. require or request another person to perform any of the acts specified above; or
6. prepare, issue, demand, or require an opinion letter or other correspondence, in addition to or instead of a certificate, that is inconsistent with the act, but the insurer or producer may prepare or issue an addendum to the certificate to explain the coverage provided by the underlying policy.

The act also prohibits a certificate from including a warranty that the underlying policy complies with the insurance or indemnification requirements of a contract. Referring in a certificate to a contract number or description will not be construed to be such a warranty.

The act authorizes the insurance commissioner to investigate anyone he reasonably believes is violating its provisions. By law, a violator is subject to a fine of up to \$15,000 (CGS § 38a-2).

EFFECTIVE DATE: October 1, 2014

PA 14-97—sSB 10

*Insurance and Real Estate Committee
Appropriations Committee*

AN ACT CONCERNING COPAYMENTS FOR BREAST ULTRASOUND SCREENINGS AND OCCUPATIONAL THERAPY SERVICES

SUMMARY: This act prohibits certain health insurance policies from imposing a copayment of more than \$20 for a breast ultrasound screening for which the policies are required to provide coverage. By law, policies must cover a comprehensive breast ultrasound screening if a (1) mammogram shows heterogeneous or dense breast tissue based on the American College of Radiology's Breast Imaging Reporting and Data System or (2) woman is at an increased risk for breast cancer because of family history, her own breast cancer history, positive genetic testing, or other indications her physician or advanced practice registered nurse

determines.

The act also prohibits certain health insurance policies from imposing a copayment of more than \$30 per visit for in-network occupational therapy services performed by a state-licensed occupational therapist. Effective January 1, 2015, PA 13-307 similarly limits copayments for in-network physical therapy services performed by a state-licensed physical therapist.

The act applies to individual and group policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including coverage under an HMO plan. The copayment limitation for breast ultrasound screening also applies to individual policies that cover limited benefits. Due to the federal Employee Retirement Income Security Act, state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2015

PA 14-107—sSB 194

*Insurance and Real Estate Committee
Judiciary Committee*

**AN ACT CONCERNING RISK MANAGEMENT
AND OWN RISK AND SOLVENCY
ASSESSMENTS FOR DOMESTIC INSURERS**

SUMMARY: This act requires each domestic (Connecticut) insurer to establish and maintain a framework to help it identify, assess, monitor, manage, and report on its material and relevant risks. This requirement may be satisfied if the insurance group of which the insurer is a member maintains a framework that applies to the insurer's operations.

The act requires each insurer or its insurance group to conduct an Own Risk and Solvency Assessment (ORSA) at least annually and whenever there are significant changes to its risk profile. It requires, starting January 1, 2015, Connecticut insurers to submit to the insurance commissioner, upon his request, an ORSA summary report containing the information described in the ORSA Guidance Manual applicable to the insurer and its group upon request. It allows the commissioner, after notice and hearing, to impose a civil penalty of \$1,000 on a Connecticut insurer for each day that it fails, without just cause, to timely file a summary report. He may reduce this fine if the insurer demonstrates that it would be a financial hardship.

The act exempts certain insurers from these requirements and allows others to seek a waiver from the commissioner.

Under the act, the ORSA summary report and related material in the Insurance Department's

possession or control obtained by, created by, or disclosed to, the commissioner or any other person are generally confidential.

The act gives the commissioner various powers and duties in administering these provisions, including a requirement that he enter into a written agreement governing information sharing.

The act does not apply to agencies, authorities, or instrumentalities of (1) the federal government, (2) a state or its political subdivisions, (3) Puerto Rico, or (4) the District of Columbia.

EFFECTIVE DATE: January 1, 2015

§ 1(a) & (b) — ORSA

Under the act, an ORSA is a confidential internal assessment that an insurer or its insurance group conducts and that is appropriate to the (1) nature, scale, and complexity of the insurer or group; (2) material and relevant risks associated with its current business plan; and (3) sufficiency of capital resources to support those risks.

The insurer or group must conduct the assessment consistent with procedures in the ORSA Guidance Manual, which the National Association of Insurance Commissioners (NAIC) produces. Under the act, any change in the manual becomes effective January 1 following the calendar year when NAIC adopted the change. The insurer or group must conduct the ORSA at (1) least annually and (2) any time its risk profile changes significantly.

§ 1(c) to (f) — SUMMARY REPORT

Preparation

The act requires each insurer or its group to prepare an ORSA summary report consistent with the standards in the guidance manual. They must also maintain documentation and supporting information of an ORSA and make them available for examination by the commissioner on request.

The insurer's or group's chief risk officer or other executive responsible for overseeing the insurer's enterprise risk management process must sign the report. This executive must attest, to the best of his or her belief and knowledge, that (1) the insurer applied the enterprise risk management process described in the summary report and (2) a copy of the report has been provided to the insurer's board of directors or appropriate committee of the board.

Submission to Commissioner

The insurer must file with the commissioner the summary report and any combination of reports that together contain the information described in the

manual that applies to the insurer and its group. It must do so at the commissioner's request, which cannot be more than once each year. The submission date depends on when the insurer or group conducts its internal strategic planning process. If Connecticut's commissioner is the lead commissioner (among a group of regulatory officials) for the insurer's group, as determined by NAIC's financial analysis handbook, the insurer must provide the summary and related information report once per year without being requested. (Insurance groups that operate in multiple states are subject to the jurisdiction of several regulatory officials, one of whom is designated the lead commissioner.)

A Connecticut insurer can comply with these requirements by providing the most recent and substantially similar report that it or a member of its group provided to the insurance regulatory official in another state or foreign jurisdiction. The report must contain information comparable to that described in the manual. If that report is not in English, it must be accompanied by an English translation.

Commissioner's Review. The commissioner or his designee must review the summary report and the documentation or information using procedures like those he uses to analyze and examine multistate or global insurers and insurance groups.

Penalties. The commissioner, after notice and hearing, may impose a civil penalty on an insurer that fails, without just cause, to timely file a summary report. The penalty is \$1,000 for each day the failure to file continues. If the insurer demonstrates that this would constitute a financial hardship, the commissioner may reduce the penalty.

§ 1(a)(2) & (g) — INSURERS

An insurer is exempt from the act's requirements if:

1. it has annual direct written and unaffiliated assumed premiums of less than \$500 million, including international direct and assumed premiums but excluding premiums reinsured with the Federal Crop Insurance Corporation and the National Flood Insurance Program and
2. its group has such premiums of less than \$1 billion, subject to the same inclusions and exclusions.

If an insurer qualifies for an exemption but its group does not, the ORSA summary report must include every insurer within the group. This requirement may be satisfied by submitting more than one summary report for any combination of insurers, so long as the combination of reports includes every insurer within the group. If the insurer does not qualify for an exemption, but its group does, the only summary report required is the insurer's report.

If an insurer becomes ineligible for an exemption due to changes in its premium, as reflected in its most recent annual statement or those of the insurers in its group, it has one year following the year the threshold is exceeded to comply with the act's requirements.

Notwithstanding the exemptions, the commissioner may require that an otherwise exempted insurer submit a report:

1. based on unique circumstances, such as the type and volume of business written, the insurer's ownership and organizational structure, and requests from a federal agency or the insurance regulatory official of a foreign jurisdiction, or
2. if it (a) has risk-based capital for a company action level event, as described in Connecticut law, (b) meets one or more of the standards for being considered to be in a hazardous financial condition, or (c) otherwise exhibits qualities of being a troubled insurer as determined by the commissioner.

§ 1(g)(6) — WAIVERS

An insurer that does not qualify for an exemption from the act's requirements can apply for a waiver based on unique circumstances. In deciding whether to grant a waiver, the commissioner may consider the type and volume of business written, the insurer's ownership and organizational structure, and any other factors he considers relevant to the insurer or its group. In considering whether to grant a waiver for an insurer that is part of a group with insurers domiciled in more than one state, the commissioner must coordinate with:

1. the lead state commissioner of the group, as determined by the procedures in NAIC's applicable financial analysis handbook, and
2. other insurance regulatory officials of member insurers' states of domicile.

§ 1(h) — CONFIDENTIALITY

Under the act, the ORSA summary report and all other documents, material, and information in the Insurance Department's possession or control obtained by, created by, or disclosed to the commissioner or any other person under the act are:

1. confidential by law and privileged,
2. not subject to disclosure under the Freedom of Information Act,
3. not subject to subpoena or discovery, and
4. inadmissible in evidence in any civil action in Connecticut.

The same provisions apply to the ORSA summary report and other information that NAIC or the third party possesses or controls.

The commissioner may use the information he possesses or controls to further any regulatory or legal action brought as a part of his official duties. The act prohibits him from otherwise making this information public without the insurer's prior written consent.

Neither the commissioner nor anyone acting under his authority who obtains or creates this information or to whom it is disclosed, through examination or otherwise, may be permitted or required to testify in any civil action in Connecticut about it.

§ 1 — COMMISSIONER'S POWERS AND DUTIES

Powers

The act allows the commissioner to share, upon request, summary reports and other information, documents, or materials in his control, including those deemed confidential and privileged or not disclosable, with:

1. other state, federal, and international regulatory officials, including members of a supervisory college (a multi-jurisdiction group of insurance officials involved in a particular case);
2. NAIC; and
3. any third-party consultants the commissioner designates.

In each case, the recipient must agree, in writing, to maintain the confidentiality and privileged status of the information and must verify, in writing, its legal authority to maintain confidentiality. The commissioner must obtain the insurer's written consent before sharing any such information.

The commissioner may receive ORSA-related information, documents, material, or other information, including those that are confidential and privileged, from NAIC and the regulatory officials described above. The commissioner must maintain as confidential and privileged any documents, material, or information received with notice or the understanding that they are confidential and privileged under the laws of the jurisdiction that is their source.

The disclosure or sharing of the information under the act does not waive any applicable privilege or claim of confidentiality. These provisions cannot be construed to delegate any of the commissioner's regulatory authority to any person or entity regarding any of the information that has been shared.

Duties

The act requires the commissioner to enter into a written agreement with NAIC or a third-party consultant, governing the sharing and use of the above documents, material, and information. The agreement must:

1. specify procedures and protocols regarding the confidentiality and security of the information, documents, or material shared with NAIC or a third-party consultant, including procedures and protocols limiting sharing by NAIC only to regulatory officials of states where other member insurers of the group of which a Connecticut insurer is a member are domiciled;
2. require NAIC or the consultant to agree, in writing, to maintain the confidentiality and privileged status of this information;
3. where applicable, require NAIC to obtain, in writing, the same commitment from a regulatory official with whom this information is shared;
4. specify that the commissioner retains ownership of this information and has discretion over its use;
5. prohibit NAIC or the consultant from storing the information in a permanent database after completing the underlying analysis;
6. require that an insurer whose confidential information NAIC or the consultant possesses receive prompt notice if either entity is subject to a request or subpoena to disclose or produce such information; and
7. require NAIC or the consultant, if it is subject to disclosure of an insurer's confidential information in its possession, to allow the insurer to intervene in any judicial or administrative action regarding the disclosure.

BACKGROUND

NAIC

NAIC is the standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight.

PA 14-108—sSB 201

Insurance and Real Estate Committee

AN ACT CONCERNING CANCELLATION NOTICES OF INDIVIDUAL LIFE INSURANCE POLICIES

SUMMARY: This act requires, beginning January 1, 2015, that insurers delivering or issuing individual life insurance policies in Connecticut notify each life insurance applicant of his or her right to designate a

third party to receive policy cancellation notices due to premium nonpayment. Insurers must notify applicants of this right (1) in writing and (2) when the applicant applies for the policy. An applicant may make a designation when applying for insurance or at any time the insurance is in force by giving written notice to the insurer with the third party's name and address.

Under the act, a third-party designee must receive a copy of an original cancellation notice issued to the policyholder. The copy is subject to the same law and policy provisions as the notice.

The act specifies that the third-party designation does not, in and of itself, make the third party or insurer liable for services given to the policyholder.

EFFECTIVE DATE: January 1, 2015

PA 14-118—sSB 394

*Insurance and Real Estate Committee
Appropriations Committee*

AN ACT CONCERNING REQUIREMENTS FOR INSURERS' USE OF STEP THERAPY

SUMMARY: This act bars certain health insurers that use prescription drug step therapy regimens from requiring their use for more than 60 days. Under the act, "step therapy" is a protocol or program that establishes the specific sequence for prescribing drugs for a specified medical condition.

At the end of the step therapy period, the act allows an insured's treating health care provider to determine that the step therapy regimen is clinically ineffective for the insured. At that point, the insurer must authorize dispensation of and coverage for the drug prescribed by the provider, if it is covered under the insurance policy or contract.

The act requires insurers to establish and disclose to its providers a process by which they may request, at any time, an authorization to override any step therapy regimen. It prescribes the conditions under which the insurer must grant the override. If the provider does not consider the step therapy regimen to be ineffective or does not request an override, the drug regimen may be continued.

The act applies to individual and group policies and contracts delivered, issued, renewed, amended, or continued by an insurance entity. These entities include insurance companies, health care centers (HMOs), hospital service corporations, and medical service corporations (collectively referred to as "insurers").

The act does not (1) prevent an insured or provider from requesting a review of an adverse decision (e.g., claims denial) under existing law or (2) affect the law requiring insurers to cover pain management treatments.

The act expands the prohibition on insurers requiring insureds to obtain prescription drugs from a mail order pharmacy. By law, health insurance policies issued by an insurance company, hospital or medical service corporation, or health care center may not require an insured to obtain prescription drugs from a mail order pharmacy in order to obtain benefits for the drugs. The act expands the scope of the law to cover (1) all other types of insurance entities covering prescription drugs; (2) insurance contracts as well as policies; and (3) policies and contracts that are delivered, renewed, amended, or continued.

The act also makes related technical changes.

EFFECTIVE DATE: January 1, 2015

OVERRIDE

The act requires insurers to establish and disclose to their providers a process by which the provider may request, at any time, an override of any step therapy regimen. The override process must be convenient for providers to use.

The insurer must expeditiously grant an override if a provider demonstrates that the drug regimen required under step therapy (1) has been ineffective for treating the insured's medical condition; (2) is expected to be ineffective based on the insured's known relevant physical or mental characteristics and the known characteristics of the drug regimen; (3) will or will likely cause an adverse reaction by, or physical harm to, the insured; or (4) is not in the insured's best interest, based on medical necessity. If the insurer grants an override, it must authorize dispensation of, and coverage for, the drug prescribed by the provider, as long as it is covered under the insurance policy or contract.

PA 14-123—sHB 5053

Insurance and Real Estate Committee

AN ACT STRENGTHENING CONNECTICUT'S INSURANCE INDUSTRY COMPETITIVENESS

SUMMARY: This act establishes a process by which a Connecticut mutual insurer can reorganize itself as a stock insurer owned by a mutual holding company. It requires the insurer to develop a plan, which is subject to approval by its board of directors, the insurance commissioner, and the insurer's members. It prescribes the powers and duties of the mutual holding company and prohibits it from engaging in the insurance business.

The act regulates how an insurer or intermediate holding company can offer voting stock, once the reorganization goes into effect, to a person other than the mutual holding company or a subsidiary it wholly

owns.

It prescribes how (1) holding companies can merge, (2) a mutual insurance company can reorganize with an existing Connecticut or out-of-state holding company, and (3) a holding company can convert into a stock corporation. It establishes limits on when certain actions can be brought against the affected companies. The act generally makes information, documents, and copies connected with these provisions confidential and exempt from the Freedom of Information Act. The act allows the commissioner to adopt implementing regulations.

Under prior law, an alien (non-U.S.) insurer could enter the United States through another state and establish its U.S. branch there. The act establishes a process by which alien insurers can use Connecticut as their “state of entry” to transact insurance business through a U.S. branch. To do this, the alien insurer must obtain a Connecticut insurance license and establish a trust account funded at or above the level required for a Connecticut insurer. The resulting branch is subject to all state insurance laws that apply to an insurer domiciled in this state, unless otherwise provided.

The act specifies application and licensing requirements for the alien insurer. The act restricts the types of business the branch can engage in. It allows the commissioner to liquidate the branch or revoke the alien insurer’s license if any trustee violates or refuses to comply with the act’s requirements and grants him other powers.

The branch must submit annual and quarterly reports to the Insurance Department and the National Association of Insurance Commissioners (NAIC).

The act establishes a procedure under which the alien insurer can domesticate its U.S. branch. Domestication is a reorganization of the branch in which a Connecticut insurer succeeds to all of the branch’s business and assets and assumes all of its liabilities.

The act allows the commissioner to apply to the courts to rehabilitate a U.S. branch that, without his approval, (1) transfers or attempts to transfer its entire property or business in violation of the act or (2) enters into any transaction that effectively merges, consolidates, or reinsures substantially all of its property or business in or with another person.

The act modifies the surplus that an alien insurer operating under existing law must have in its trust account.

It also makes minor, conforming, and technical changes.

EFFECTIVE DATE: Upon passage

§§ 1-15 — REORGANIZATION OF MUTUAL INSURER

§ 2(b)(1)-(3) — *Reorganization Plan and Approval by the Board*

To take advantage of the act, a Connecticut mutual insurer must develop a plan that describes why it is reorganizing. The plan must provide for:

1. amending the insurer's articles of incorporation to reorganize it into a Connecticut stock corporation, including any provisions governing an initial voting stock offer;
2. forming a mutual holding company that will acquire, directly or through intermediate stock holding companies, at least 51% of the voting stock of the reorganized insurer;
3. the succession of the insurer's rights, properties, debts, obligations, and liabilities; and
4. any proposed fees, commissions, or other consideration for people aiding, promoting, or assisting the reorganization.

A mutual holding company must be organized using the process established by the act. An intermediate stock holding company is an institution that (1) is at least 51% owned, directly or through another intermediate stock holding company, by a mutual holding company and (2) owns, directly or indirectly, at least 51% of the voting stock of at least one reorganized insurer.

The plan must provide that:

1. the insurer's members become members of the holding company and
2. members with policies issued by the insurer in force on the reorganization's effective date have equity rights (rights to own stock) and membership interests (rights other than equity rights or those expressly and solely conferred under a policy) in the holding company.

The plan may include provisions limiting to 10% the maximum share of voting stock a person may acquire or offer to acquire.

The reorganization plan must be approved by a vote of three-fourths of the board of directors.

§§ 2(b)(4) & 3(c) — *Submission to the Commissioner*

Accompanying Documents. Once the board approves the plan, the insurer must submit an application to the insurance commissioner that is executed by an authorized officer of the insurer. The application must be on a form prescribed by the commissioner and accompanied by the following documents:

1. the reorganization plan;
2. the proposed articles of incorporation and by-laws of each corporation that will be a constituent corporation of the reorganized insurer;
3. the names and biographies of the officers and directors of each of these corporations;
4. the resolution of the insurer's board of directors, certified by its secretary, authorizing the reorganization;
5. financial statements, in a form acceptable to the commissioner, implementing the reorganization for the holding company and any corporations that will be part of the reorganization and that will experience a change in capitalization due to the reorganization;
6. a draft of materials to be mailed to members seeking their approval of the plan, including a summary of the reorganization plan; and
7. other relevant information that the commissioner requires.

Articles of Incorporation. The mutual holding company's articles of incorporation must include provisions that state that:

1. the holding company is organized under the act;
2. one of its purposes is to own, directly or through one or more intermediate holding companies, at least 51% of the voting stock of one or more reorganized insurers;
3. the mutual holding company itself is not authorized to issue stock;
4. its members have the rights specified in the act and the holding company's articles of incorporation and by-laws; and
5. in any liquidation or rehabilitation proceeding brought against the reorganized insurer, the assets and liabilities of the mutual holding company that holds the insurer can be included in the estate of a reorganized insurer.

§ 2(c), (d), (e), & (h) — *Plan Approval*

Public Hearing. The commissioner must hold a hearing on (1) the reasons for and purposes of the mutual insurer's reorganization; (2) the fairness of the plan's terms and conditions; and (3) whether the reorganization is in the mutual insurer's best interest, fair and equitable to its policyholders, and not detrimental to the insuring public. The directors, officers, employees, and policyholders of the reorganizing insurer can appear and speak at the hearing.

The reorganizing insurer must mail a notice of the time, place, and purpose of the hearing to each eligible policyholder. The notice must go to the policyholder's last-known address as shown on the reorganizing insurer's records. The notice must be mailed at least 60 days before the hearing and be preceded or accompanied by (1) a true and complete copy of the plan or a summary of it approved by the commissioner and (2) other explanatory information as the commissioner requires.

In addition, the reorganizing insurer must publish a notice of the time, place, and purpose of the hearing in three newspapers, one in the county where it has its principal office and two in other cities in or outside the state approved by the commissioner. The newspaper publications must be made between 15 and 60 days before the hearing and in a form approved by the commissioner.

Commissioner's Approval of the Plan. The commissioner must approve or disapprove the plan within 60 days after the public hearing. He must approve the plan in writing if he finds that it:

1. is in the best interests of the reorganizing insurer;
2. is fair and equitable to the insurer's members;
3. enhances the reorganizing insurer's operations;
4. will not substantially lessen competition in any line of insurance business;
5. when completed, will provide for the reorganized insurer's paid-in capital stock to be at least equal to the minimum paid-in capital stock and net surplus required of a new Connecticut stock insurer upon its initial authorization to transact similar types of insurance; and
6. complies with the act's requirements.

If the commissioner determines the plan does not meet these conditions, he may ask the reorganizing insurer to modify it. This does not prevent the reorganizing insurer from withdrawing the plan as provided by the act.

A disapproval of the plan must be in writing and describe the reasons for denial. The reorganizing insurer has 15 days to request a hearing before the commissioner, which must be held within 15 days after the request.

The commissioner may use private consultants to help review the plan. The mutual insurer must pay all costs associated with the review.

No one may receive any fee, commission, or other consideration, other than his or her usual salary and compensation, to aid, promote, or assist in the reorganization, except as described in the approved plan. This does not prohibit paying reasonable fees and compensation to directors and officers who act as attorneys, accountants, or actuaries or provide other

services in the independent practice of their professions.

Approval by Members. After the commissioner approves the plan, the reorganizing insurer must file it with the commissioner. It must then be approved by a vote of at least two-thirds of the members of the reorganized insurer voting at a meeting called for that purpose. The board of directors, its chairperson, or the president of the reorganizing insurer must call the meeting, which can be held no earlier than 30 days after the public hearing.

The reorganizing insurer must mail a notice of the date, time, place, and purpose of the meeting to policyholders at their last-known addresses, as shown on its records. The notice must be mailed at least 60 days before the meeting date and may be combined with the public hearing notice. It must be preceded or accompanied by:

1. a true and complete copy of the plan or by a summary of it approved by the commissioner,
2. the financial statements described below,
3. a description of material risks and benefits to policyholders' interests,
4. any information about an initial stock offering included in the reorganization plan, and
5. other explanatory information as the commissioner requires.

Each member entitled to vote on the reorganization plan can vote by written ballot, in person, by mail, or by a proxy he or she appoints. The people entitled to vote are those whose names appear on the reorganizing insurer's records as policyholders on the date the board of directors approved the plan.

The commissioner can, among other things, supervise and prescribe the voting procedures to the extent, consistent with the act's provisions, he deems this necessary to ensure a fair and accurate vote. He can supervise and regulate:

1. the determination of the policyholders entitled to notice of, and to vote on, the proposal;
2. how notice of the proposal is given;
3. the receipt, custody, safeguarding, verification, and tabulation of proxy forms and ballots; and
4. the resolution of disputes.

Withdrawal or Amendment of the Plan. The mutual insurer may withdraw or amend the plan any time before the reorganization goes into effect. Doing so requires a vote of three-fourths of the board of directors and, for amendments, the commissioner's approval.

No amendment may change the (1) adoption date of the reorganization plan or (2) plan in a way that the commissioner determines harms the reorganizing insurer's policyholders.

If the amendment is submitted after the hearing on the original plan, the commissioner must hold another hearing on the amended plan, subject to the notice requirements described above. If the plan is amended

after it has been approved by the members, the members have to ratify the amended plan using the same process as for the original plan.

The insurer must submit the amended plan to the commissioner for approval. After he approves it, the insurer must file the approved amended plan with the commissioner.

§§ 2(f), 2(g), 3(b), & 3(g) — *Effects of Reorganization*

Once the members approve the reorganization, the commissioner must (1) issue a new certificate of authority to the reorganized insurer and (2) approve the mutual holding company's and the reorganized insurer's articles of incorporation. He must also provide certificates of approval for the articles of incorporation to the insurer and the holding company. The reorganized insurer can continue to use "mutual" as part of its name unless the commissioner determines this would mislead or deceive the public.

The plan goes into effect (1) once the articles of incorporation of the mutual holding company and the reorganized insurer's amended articles of incorporation are filed with the secretary of the state or (2) on a later date as specified in the plan and the amended articles of incorporation of the reorganized insurer. The later date may not be more than 30 days after the mutual holding company files its articles of incorporation.

Once the reorganization plan goes into effect:

1. the reorganizing insurer immediately becomes a Connecticut stock insurer, continuing the corporate existence of the reorganizing insurer;
2. any person's right to (a) vote on any matter concerning the reorganized insurer or (b) share in a distribution or receive payment based on a surplus in a conservation, liquidation, or dissolution proceeding under the articles of incorporation or by law, is extinguished, except for rights expressly conferred solely by the terms of a policy;
3. the members of the reorganizing insurer immediately become members of the holding company, but (a) the rights of a person as a member continue only so long as the related policy remains in force and (b) for group annuity contracts issued by a mutual life insurer, only the group policyholder becomes a member of the holding company;
4. members who have voting rights under policies issued by the reorganizing insurer as of the reorganization's effective date have equity rights in the holding company so long as the related policy remains in force;
5. the holding company must hold all of the voting stock initially issued by the reorganized insurer, directly or through one or more

- intermediate stock holding companies; and
6. holders of policies with voting rights issued by the reorganized insurer after the effective date are members and have equity rights in the holding company.

Mutual holding companies must comply with applicable provisions of corporation law. Membership interests in the holding company do not count as securities for purposes of securities law. A description of these interests and related factual disclosures do not violate the law against offering inducements to buy insurance and their receipt does not violate the law that prohibits receiving such inducements.

§ 2(g)(3) — Ownership of Reorganized Insurer

Once the reorganization goes into effect, the (1) holding company or an intermediate stock holding company must own at least 51% of the issued and outstanding voting stock of the reorganized insurer and (2) holding company or another intermediate stock holding company must own at least 51% of the issued and outstanding voting stock of any intermediate stock holding company. For these calculations, any issued and outstanding securities of the reorganized insurer or any intermediate stock holding company that are convertible into voting stock are considered issued and outstanding voting stock.

§§ 3(d), (e), (h), (j), & 5 — Powers and Duties of Mutual Holding Companies

Structure. A holding company may control, directly or indirectly, multiple subsidiaries, including multiple intermediate stock holding companies. An intermediate stock holding company may control, directly or indirectly, multiple subsidiaries, including multiple reorganized insurers. A holding company and its subsidiaries and affiliates are considered members of an insurance holding company system, subject to existing law governing these systems, unless they conflict with the act's provisions.

Directors. The holding company's articles of incorporation or bylaws may divide its directors into two or more classes whose terms of office expire at different times. No term may run more than six years. The term of office is one year unless otherwise specified in the articles or bylaws.

When a director's term ends, he or she continues to serve until a successor is elected and qualified. If a vacancy occurs before a director's term ends, the other directors must fill the vacancy by a majority vote, regardless of any quorum requirements. The new director serves until the next annual meeting.

Annual Meetings. A holding company must hold an annual meeting. It must notify each member of the meeting at his or her last-known mailing address at least 60 days before the meeting.

Unless the articles of reorganization or the insurer's bylaws provide otherwise, each member of the holding company is entitled to one vote. Members may vote by proxy dated and executed within 90 days before the meeting where they will be used. The proxies must be returned to the company and recorded on its books no later than seven days before the meeting.

A majority vote of the members is sufficient to approve an item unless the law or the holding company's articles of incorporation require a greater percentage.

Bylaw Amendments. Within 30 days after amending its bylaws, the holding company must file a copy certified by its secretary under the corporate seal with the commissioner.

Transfers of Assets. Once the reorganization goes into effect, a reorganized insurer may, pursuant to the reorganization plan or with the commissioner's prior approval, transfer assets or liabilities to the holding company or an entity the holding company owns or controls. The assets and liabilities can include one or more of the insurer's subsidiaries. But in any transfer, in a single instance or in the aggregate, the liabilities transferred may not be greater than the assets transferred. The commissioner must approve the proposed transfer unless he finds it would materially harm the insurer's ability to meet its obligations under its policies. Under the act, the rules governing transactions with an insurance company holding system do not apply to these transfers.

The insurer cannot acquire subsidiaries without notice to and review by the commissioner if its total adjusted capital is less than three times its authorized minimum capital, adjusted for risk, at the end of any calendar year after the reorganization goes into effect. The prohibition runs as long as the company does not have the required level of capital.

§ 3(a), (f), & (i) — Prohibitions on Mutual Holding Companies

The holding company may not:

1. engage in the insurance business;
2. pay income, dividends contingent on an apportionment of profits, or any other distribution of profits, except to the extent provided in its articles of incorporation or as otherwise directed or approved by the commissioner; or
3. transfer its domicile to another state, without the commissioner's approval, for five years after the reorganization goes into effect.

§ 12 — *Legal Actions Involving the Reorganized Insurer*

If any proceedings are brought naming a Connecticut stock insurer that is a party under the (1) plan or (2) existing law governing the liquidation and rehabilitation of insurers, the mutual holding company formed under the reorganization must become a party to the proceedings. This provision applies for 10 years from the effective date of a reorganization plan.

The assets of the mutual holding company, including its interest in an intermediate holding company, are considered assets of the reorganized insurer's estate to the extent necessary to satisfy claims against the reorganized insurer by specified persons whose claim priorities are covered by the existing law. But, a mutual holding company's contribution to the estate of a reorganized insurer may not exceed the value of assets, net of liabilities, that the reorganized insurer transferred to it or to one or more persons owned or controlled by the mutual holding company. Claims of persons who are members of the mutual holding company have the same priority as members of a mutual insurer authorized to do the same kinds of business as the reorganized insurer would have upon its liquidation under existing law.

A mutual holding company may not dissolve, liquidate, or wind up and dissolve without the prior written approval of the commissioner or the court pursuant to proceedings brought under the existing law.

§ 4(b) & (c) — *Amendments to Reorganized Insurer's Articles of Incorporation*

A reorganized insurer may amend its articles of incorporation in the same way as other stock corporations can after the reorganization goes into effect.

A reorganized insurer may also amend its organization plan, subject to the same limitations as amendments to the original plan. An amendment requires:

1. the approval by a majority of the reorganized insurer's board of directors and
2. submission of the proposed amendment to the commissioner in the same way the original plan was submitted.

In addition, the amendment must be approved by a majority of holding company members who were eligible to vote on the original plan as members of the former insurer. If the amendment would harm the rights of some but not all classes of members, only members in a potentially harmed class can vote. Otherwise the ratification procedure is similar to that for the original plan, although there are no specific notice requirements.

As was the case for the original plan, the board of directors can, by majority vote, amend or withdraw the

plan amendment. The insurer must submit the amendments to the commissioner for approval.

An amendment that complies with the above requirements goes into effect when filed with the commissioner.

§ 6 — *Provisions for Mutual Life Insurers*

If the insurer is a mutual life insurer, the equity interest of the policyholders of the reorganized insurer must equal, in aggregate, the entire capital and surplus of the mutual holding company, less any funds federal law requires it to hold in segregated accounts. This equity interest is used to determine the amount of consideration paid to policyholders if the holding company converts to a stock company, as described below.

Once the reorganization goes into effect, the insurer generally must establish a separate account ("closed block") for policyholder dividend purposes. The closed block must consist of all the insurers' participating individual policies (1) in force on the reorganization's effective date and (2) for which the insurer had an experience-based dividend scale payable in the year the reorganization plan was adopted by the insurer's board of directors. The insurer must allocate its assets to these policies in an amount that produces cash flows, together with anticipated revenues from the closed-block business, the insurer expects to be sufficient to support the closed-block business. This amount must provide for (1) paying claims, expenses, and taxes specified in the reorganization plan and (2) continuing dividend scales in effect on the date the insurer's board adopted the plan, if the experience underlying such scales continues. No policies entering into force after the effective date can be included in the closed block.

The insurer may, with the commissioner's approval, establish conditions under which it may cease to maintain the closed block and allocation of assets to it. But the policies constituting the closed block business remain obligations of the insurer and the board of directors must apportion the dividends on the policies in accordance with the terms of the policies and applicable provisions of any law.

Alternatively, the insurer can provide another practice that protects the contractual rights of individuals who had policies in force when the reorganization went into effect, if the commissioner determines this is substantially as protective for the policyholders.

Periodically, an independent accounting or actuarial firm must report to the commissioner and the boards of directors of the holding company and the insurer on whether or not the closed block and related assets or alternative practice has been administered according to the reorganization plan. This report must be made three

years after the year the reorganization goes into effect and every three years thereafter, or more frequently as determined by the commissioner. The firm must consider the dividend payments to policyholders resulting from the closed block and other relevant factors. The insurer must pay the expenses incurred in retaining the firm. The report must be completed and delivered to the commissioner and the boards by the close of business on April 1 following the end of the period for which a report is being provided.

§§ 7, 8(b), & 8(c) — *Stock Offerings*

The act regulates how a reorganized insurer or intermediate holding company can offer voting stock, for the first time after the reorganization goes into effect, to a person other than the mutual holding company or a subsidiary it wholly owns. Voting stock includes any securities of the insurer or any intermediate holding company that are convertible into voting stock.

Stock purchase rights must have a 50-share minimum purchase limit. Under the act, a stock purchase right is a nontransferable right granted to each policyholder of the reorganized insurer who has been a policyholder for at least one year prior to the reorganization's effective date, to acquire stock in the reorganized insurer if it conducts an initial public offering of voting stock or in any intermediate stock holding company that conducts an initial public offering of voting stock.

The price per share must equal the public offering price. If the exercise of a stock purchase right results in one person owning more than 50% of the shares being offered to the public (or a smaller percentage approved by the commissioner), exercising this right is subject to proration, but not below the 50-share minimum. A stock purchase right is subject to any exclusion or limit authorized by law that applies to particular classes of policyholders.

The insurer or holding company must apply to the commissioner for approval of the stock offering. The commissioner must approve the application unless he finds that (1) a public offering would not be conducted in a way generally consistent with customary practices for initial public offerings to the extent they are reasonably comparable or (2) any other offering would harm the mutual holding company's members. These provisions do not prohibit the reorganized insurer or intermediate holding company from filing a registration statement with the Securities and Exchange Commission and the secretary of the state before the commissioner's approval.

The commissioner may use consultants to help review the offering to determine whether it meets these requirements. The issuer must pay all costs associated with making the determination.

If a mutual holding company causes an intermediate holding company or insurer to conduct an initial public offering, private equity placement, or issuance of voting stock or securities convertible into voting stock, the mutual holding company must cause each eligible person to receive stock purchase rights in connection with the initial offering or issuance. This requirement is subject to any limitations under law applicable to particular classes of policyholders. The requirement does not apply if a committee of the mutual holding company's outside directors determines, by vote of at least two-thirds of its members, that a stock purchase rights offering would not be in the members' best interests. This determination is subject to the commissioner's approval.

The mutual holding company, the intermediate holding company, or insurer may issue stock of the intermediate holding company or the insurer to a qualified trust established in connection with an employee stock ownership plan or other employee benefit plan established for the benefit of the company's or insurer's employees. No individual may receive more than 12.5% of the stock. Directors who are not employees may not receive more than 2.5% of the stock individually or 15% in the aggregate. No individual can own more than 18% of the stock unless the commissioner raises this limit under limited circumstances.

The voting shares initially issued to employee stock ownership plans or other employee benefit plans cannot, in the aggregate, exceed 5% of the voting shares initially issued.

An officer or director of a mutual holding company, intermediate holding company, or insurer may not sell any voting stock or securities convertible into voting stock he or she holds for at least one year following the date of the initial offering or issuance of the securities. This prohibition does not apply if the officer or director dies or becomes disabled.

§ 8 — *Stock Options and Ownership Limits*

The act limits when an intermediate holding company or the insurer may award stock options or stock grants to officers or directors of the mutual holding company, an intermediate holding company, or the reorganized insurer. The award cannot be made until six months after the completion of an initial public offering, private equity placement, or the first issuance of public or private stock or securities convertible into voting stock of the insurer or intermediate company to any person other than the mutual holding company or an intermediate holding company. But, if an insurer or its intermediate holding company distributes stock purchase rights to the policyholders of an insurer in connection with a public offering of stock, their

directors and officers who are policyholders of the reorganized insurer must receive and may exercise stock purchase rights on the same basis as all other policyholders.

Until two years after this six-month period, the officers, directors, and outside directors of (1) the mutual holding company, (2) an intermediate holding company, and (3) the insurer may not own, in the aggregate, more than 5% of the voting stock of the intermediate holding company or the reorganized insurer. Thereafter, they may own no more than 18% of that voting stock. The commissioner may, in the event of a distress situation, find that their aggregate ownership of more than 18% is necessary and appropriate.

No person may directly or indirectly acquire or offer to acquire ownership of more than 10% of any class of the voting stock of the insurer, any intermediate holding company, or any other institution that directly or indirectly owns a majority of the voting securities of the insurer without the commissioner's prior approval.

The above provisions do not prohibit officers, directors, employees, employee stock ownership plans, or other employee benefit plans from buying, with cash, voting stock issued by an intermediate holding company or insurer. These purchases must be (1) made in accordance with reasonable classifications of these individuals and plans and (2) at the same price offered to the public in any public offering. The above provisions also do not prohibit a mutual holding company, intermediate holding company, or insurer from establishing a stock option, incentive, or share ownership plan customary for publicly traded companies, subject to the act's limitations.

§§ 9 & 15 — Merger or Consolidation of Holding Companies and Their Subsidiaries

The act prescribes how two or more mutual holding companies can merge or consolidate. These provisions do not authorize the merger or consolidation of stock companies with mutual holding companies.

The act allows two or more mutual holding companies to merge or consolidate under the laws of any U.S. state into a mutual holding company incorporated under the laws of that state. At least one of the merging companies must be a Connecticut company. The resulting company may be a continuing corporation under the name of one or more of the merged or consolidated companies or a new company.

If the continuing or new company will be a Connecticut company:

1. it is subject to the act's provisions,
2. its name is subject to the commissioner's approval,

3. the members of any mutual holding company whose existence will cease once the merger or consolidation goes into effect become members of the continuing mutual holding company, and
4. all persons with equity rights in any mutual holding company whose existence ceases when the merger or consolidation goes into effect must have equity rights in the continuing mutual holding company.

The merging or consolidating companies must enter into a written agreement prescribing the action's terms and conditions. A majority of the board of each participating Connecticut company must approve the action. The agreement is subject to the commissioner's written approval. He must consider (1) the fairness of the agreement's terms and conditions, (2) whether the interests of the members of each Connecticut mutual holding company that is a party to the agreement are protected, and (3) whether the proposed merger or consolidation is in the public interest.

Each of the merging or consolidating companies must call a special members' meeting to present and hold a vote on the agreement. They must provide notice of the meeting in a way the commissioner prescribes. The agreement must be approved by a vote of two-thirds of the members of each company who are present and voting at the meeting.

If the continuing or new mutual holding company will be a Connecticut company, the agreement must be (1) executed in duplicate by each company's president and secretary under its corporate seal, (2) accompanied by copies of each company's resolutions authorizing the merger or consolidation and the execution of the agreement attested by each company's recording officer, and (3) submitted to the commissioner with the required records.

If it appears to the commissioner that each company has complied with these requirements, he may certify and approve the agreement. He must file one of the duplicates with the secretary of the state. She must record the agreement and issue a certificate of reincorporation to the continuing or new company with the powers retained and specified in the agreement. The commissioner must keep the other duplicate. An agreement does not take effect until it has been filed with the secretary of the state.

If the new or continuing company is a Connecticut company, after the merger or consolidation all rights and properties of the several companies accrue to and become the rights and property of the continuing or new company, which succeeds to all the obligations and liabilities of the merged or consolidated companies as if they had been incurred or contracted by it.

If the continuing or new company will be an out-of-state company, the agreement and other information the commissioner requires must be filed with him and may

not be executed until he approves them. Upon the commissioner's approval, the new or continuing company must file documentary evidence with the commissioner showing the date when the merger or the consolidation will become effective. If the commissioner finds the agreement has been filed in accordance with these provisions, he must file a certificate with the secretary of the state noting the merger or consolidation and its effective date. The corporate existence of the Connecticut mutual holding company ceases on the effective date.

No action or proceeding pending in any Connecticut court at the time of the merger or consolidation in which a Connecticut company is or may be a party can be abated or discontinued because of the merger or the consolidation. It may be prosecuted to final judgment in the same manner as if the merger or the consolidation had not taken place. Alternatively, the court where the action or proceeding is pending may substitute the continuing or new company in place of the Connecticut company.

In addition, a Connecticut or out-of-state subsidiary of an existing Connecticut mutual holding company may, with the commissioner's prior approval, merge with an out-of-state mutual insurer. It must do so using the existing law's procedures for mergers between Connecticut insurers and out-of-state or alien insurers.

§ 10 — Reorganizations into Existing Holding Companies

The act allows a Connecticut mutual insurance company to reorganize with an existing Connecticut or out-of-state mutual holding company. To do this, the reorganization plan of the Connecticut mutual insurer must provide that:

1. it will become a Connecticut stock insurer;
2. its members will become members of the mutual holding company;
3. owners of policies in force on the date the reorganization goes into effect have equity rights in the mutual holding company; and
4. the mutual holding company will acquire, directly or through one or more intermediate stock holding companies, at least 51% of the reorganized insurer's voting stock.

With the commissioner's approval, an existing Connecticut mutual holding company may:

1. acquire direct or indirect ownership of a converting out-of-state mutual insurer that becomes a stock insurer in compliance with the law of its state of domicile or
2. grant membership interests and equity rights to the members or policyholders of an out-of-state mutual insurer that merges with a direct or indirect Connecticut or out-of-state subsidiary

of the Connecticut mutual holding company and the subsidiary may, in turn, merge with the out-of-state mutual insurer pursuant to existing law.

In determining whether to approve these steps, the commissioner may consider (1) the fairness of the transaction's terms and conditions, (2) whether the Connecticut holding company's members' interests are protected, and (3) whether the transaction is in the public interest.

§ 11 — Conversion of Holding Company into a Stock Company

Provisions of a Conversion Plan. The act allows a Connecticut mutual holding company to become a Connecticut stock corporation under a plan of conversion. The plan must include the reasons for the proposed conversion and provide for amending the holding company's articles of incorporation to effect it.

The plan must give each person holding equity rights in the company appropriate consideration in exchange for these rights. The total consideration must equal the company's capital and surplus, less any money federal law requires to be held in segregated accounts. The amount of the consideration must be determined under a fair and reasonable formula approved by the commissioner.

If the conversion plan calls for the mutual holding company to be a surviving corporation, the consideration to eligible policyholders must be stock, cash, or other consideration approved by the commissioner. Distributing (1) all of the company's stock to eligible policyholders or (2) other consideration of equivalent value to certain eligible policyholders meets this requirement. If the mutual holding company will not be a surviving corporation, payment in permitted forms must be distributed to the eligible policyholders.

The conversion plan also must give each person holding equity rights a preemptive right to acquire his or her share of the proposed capital stock of the converted company. These people can use their consideration to purchase the stock. But, the plan can provide that (1) the person cannot buy or receive stock if the stock has an aggregate subscription price of \$2,000 or less and (2) the preemptive right does not apply in jurisdictions where issuing stock (a) is impossible, (b) would involve unreasonable delay, or (c) would require the converting company to incur unreasonable costs. In such cases, the person must be paid in cash.

If the equity holders are granted stock, or other consideration the commissioner approves, the plan must provide that (1) no member or holders of equity in the converting company have preemptive rights to acquire any of the proposed stock of the converted company,

proposed parent, or other corporation or (2) the preemptive rights are on other terms approved by the commissioner.

Anyone may participate in the distribution of consideration and buy the stock if his or her name appeared on the converting company's records as holding equity rights on (1) the December 31 before the conversion and (2) the date the company's board of directors first voted to convert.

The plan also must provide for:

1. offering shares to persons holding equity rights in the mutual holding company at a price not greater than that charged others;
2. paying such persons consideration in cash, securities, a certificate of contribution, additional insurance under policies issued by a reorganized insurer, other consideration, or any combination of these;
3. any proposed fees, commission, or other consideration to be paid to people aiding, promoting, or assisting the conversion; and
4. the effective date of the conversion.

The plan may restrict anyone from directly or indirectly acquiring or offering to acquire 10% or more of any class of voting stock of the converted company or any entity that controls it.

Fees in Connection with Conversion Plan. No one may receive any fee, commission, or other consideration, other than his or her usual salary and compensation, to aid, promote, or assist in the conversion, except as described in the approved plan. This does not prohibit paying reasonable fees and compensation to attorneys, accountants, and others who are directors or officers of the converting company for services they perform in the independent practice of their professions.

These provisions do not bar the management or an employee group of a converting company, an intermediate holding company, or the reorganized insurer from buying, with cash, shares not taken by people with preemptive rights. The management or employee group must pay the same price offered to people holding equity rights.

Approval of the Plan. The plan is subject to the approval by three-quarters of the company's board and the commissioner, who must hold a public hearing. The hearing is subject to the same notice requirements that apply to the reorganization plan.

The commissioner must approve or disapprove the conversion plan within 60 days after the close of the hearing. He must approve the plan if he finds that the (1) proposed conversion is in the company's best interest and (2) company has not (a) reduced, limited, or affected the number or identity of its members or persons holding equity rights in the company that are entitled to participate in the plan or (b) otherwise

secured or attempted to secure any unfair advantage through the plan for company's management. The commissioner must also find that the plan:

1. is fair and equitable to the members of the converting company,
2. will not substantially lessen competition in any line of insurance business,
3. enhances the company's operations, and
4. complies with the act's provisions.

The commissioner may use private consultants to help review the plan. The mutual insurer must pay all costs associated with reviewing the plan.

A disapproval of the plan must be in writing, describing the reasons for the denial. The company has 15 days to request a hearing before the commissioner, which must be held within 15 days after the request.

The act requires the company to file the approved plan with the commissioner and submit it to a vote of its members in the same way as described above for a mutual insurer reorganization plan.

If the members approve the plan, the conversion goes into effect on the date specified in the plan. At that point, the converting company becomes a Connecticut stock corporation and its rights and properties are automatically transferred to the corporation, which also succeeds to all of the converting company's obligations and liabilities. In addition, all membership interests and equity rights in the Connecticut mutual holding company are extinguished.

§ 12(b) — Limits on Legal Actions

Time Limits. Generally, actions concerning any proposed or approved reorganization plan or any plan amendment or proposed plan amendment must begin (1) one year after the plan or amendment is filed with the commissioner or (2) if the plan or amendment has gone into effect, six months after the effective date of the plan or amendment, whichever is later. If the plan or amendment is withdrawn, the actions must begin within six months after the withdrawal date.

Actions arising out of a transfer of assets or liabilities or an offering of voting stock that was not contemplated by the plan must begin within one year after the transfer or offering.

Actions concerning any proposed or approved plan of conversion and related acts must begin within one year after the plan is filed with the commissioner or six months after its effective date, whichever is later.

Security. In any of the above actions, any party bringing the suit, under certain circumstances, must give adequate security for the damages and reasonable expenses, including attorneys' fees, that defendants may incur as a result of, or in connection with, the action or for which the company may become liable. This provision applies when the (1) mutual holding company,

reorganizing insurer, reorganized insurer, or an intermediate stock holding company makes a motion and (2) court finds there is a substantial likelihood that the action is brought without merit and with an intention to delay or harass. The court determines the amount to which the mutual holding company, reorganizing insurer, reorganized insurer or intermediate stock holding company has access upon the termination of the action. The court can increase or decrease the amount of security upon a showing that it has or may become inadequate or excessive.

Stays. Any action seeking a stay, restraining order, injunction, or similar remedy to prevent or delay the closing of any transaction under the act or a transaction under a reorganization or conversion plan must begin within 30 days after the commissioner approves the transaction or plan.

Any action or proceeding against the commissioner or other government officer or body regarding orders issued or actions taken under the act must begin within 30 days after the order or action.

§ 13 — Confidentiality of Information

Generally, information, documents, and copies of them obtained by or disclosed to the commissioner or any other person in the course of preparing, filing, and processing an application under the act are:

1. confidential by law and privileged,
2. not subject to disclosure under the Freedom of Information Act,
3. not subject to subpoena, and
4. not subject to discovery or admissible in evidence in any civil action.

The commissioner may make this information, documents, and copies public without the relevant insurer's prior written consent, only if he (1) gives the insurer and its affected subsidiaries and affiliates notice and opportunity to be heard and (2) determines that the interests of members, policyholders, security holders, or the public will be served by publishing the information, documents, and copies. If he does, the commissioner may publish all or any part of the information, documents, and copies in a way he considers appropriate. The commissioner may use the information, documents, and copies to further any regulatory or legal action brought as part of his official duties.

The confidentiality provisions do not apply to information or documents distributed to, or filed or submitted as evidence in connection with, a public hearing under the act.

The act allows the commissioner to adopt implementing regulations.

§§ 16-26 — ALIEN INSURERS ESTABLISHING BRANCHES IN CONNECTICUT

§ 18(b) — Application Requirements

Before authorizing an alien insurer to conduct business in the United States through Connecticut, the commissioner must, in addition to the existing requirements of state insurance law, require the alien insurer to:

1. obtain a license as an insurer and submit an English translation, as necessary, of any of the documents needed to comply with this requirement and
2. submit to an examination of its affairs at its principal U.S. office, although the commissioner may accept a report of the insurance supervisory official of the insurer's home jurisdiction.

§ 20(a) & (b) — Licensing

Before issuing any new or renewal license to a branch, the commissioner may require satisfactory proof, (1) in the insurer's charter, (2) by an agreement evidenced by a certified resolution of its board of directors, or (3) otherwise as the commissioner may require, that the branch and the insurer will not engage in any insurance business in violation of the act or not authorized by its charter.

The commissioner must renew a branch's license if he is satisfied that (1) neither the insurer nor the branch is in violation of the act's requirements and (2) the renewal will not be hazardous or prejudicial to the best interests of the people of this state.

§ 20(c) & (d) — Restrictions on Types of Business

The commissioner cannot authorize a branch to transact (1) any kind of insurance business in which Connecticut insurers may not engage or (2) the business of insurance in Connecticut if it transacts, anywhere in the United States, any type of insurance or incidental business other than the business it seeks to transact in Connecticut. For example, if a branch seeks to provide only life insurance in Connecticut, it cannot provide health insurance in another state.

The commissioner cannot authorize or reauthorize a branch to transact business in Connecticut if it fails to (1) substantially comply with any of the act's provisions the commissioner determines are needed to protect the interests of its U.S. policyholders or (2) keep complete and accurate records of its insurance transactions, which it must make available for the commissioner's inspection at its principal office.

§ 18(a) — *Trust Account*

The alien insurer must establish a trust account, pursuant to a trust agreement the commissioner approves, with a U.S. financial institution in an amount at least equal to the (1) minimum capital and surplus or (2) minimum capital, adjusted for risk, whichever is greater, that a Connecticut insurer licensed for the same kind of insurance must maintain. Generally, the alien insurer must maintain this minimum amount in the account at all times. But, the deed of trust or an amendment to it may provide for withdrawals under specified circumstances described below.

§ 18(c)(1) & (4) — *Deed of Trust*

The trust agreement must describe its terms in a deed of trust. The deed and subsequent amendments to it must be authenticated in a way the commissioner prescribes.

The deed of trust must:

1. vest legal title to trust assets in the trustees and their lawfully appointed successors;
2. require all assets deposited in the trust to be continuously kept in the United States;
3. provide for substitution of a new trustee in case of a vacancy, subject to the commissioner's approval;
4. require the trustees to continuously maintain a record sufficient to identify the fund's assets;
5. require trust assets to consist of cash or investments, or both, and accrued interest if collectable by the trustees;
6. require the trust to be for the exclusive benefit, security, and protection of the branch's policyholders or U.S. policyholders and creditors; and
7. require that the trust be maintained as long as the alien insurer has any outstanding liability arising out of its U.S. insurance transactions.

In addition, the deed of trust must provide that the trustees may not make or permit any asset withdrawals without the commissioner's approval. However, withdrawals may be made without approval to:

1. make deposits required by law in any state for the security or benefit of all U.S. policyholders, or the branch's U.S. policyholders and creditors;
2. substitute other assets permitted by law and at least equal in value and quality to those withdrawn, upon the specific written direction of the branch manager when duly empowered and acting under general or specific written authority previously given or delegated by the branch's board of directors; or

3. transfer assets to an official liquidator or rehabilitator pursuant to an order of a court of competent jurisdiction.

Assets can also be withdrawn without the commissioner's approval if (1) they are deposited in another state and (2) the deed of trust requires the written approval of that state's insurance regulatory official for further withdrawals. The minimum amount of trust assets must still be maintained and the U.S. branch manager must notify Connecticut's insurance commissioner of the nature and amount of the withdrawal.

In addition, the deed of trust may provide that income, earnings, dividends, or interest accumulations on the fund's assets may be paid to the branch manager upon request as long as the total trust assets are at least the amount required by the act.

The commissioner can approve modifications or variations to the deed of trust, so long as they do not harm the state's residents or the branch's U.S. policyholders or creditors.

§ 18(c)(2) & (3) — *Commissioner's Approval of Deed of Trust*

A deed of trust or amendment to it does not go into effect until the commissioner approves it. The commissioner cannot approve the document unless he finds that it is (1) sufficient in form and conforms with applicable laws and (2) adequate to protect the interests of the trust's beneficiaries.

The commissioner can withdraw his approval if he finds, after notice and hearing, that the deed of trust no longer meets the conditions for approval. He can approve modifications or variations in the deed of trust so long as he determines that they are not prejudicial to the interests of state residents or the branch's U.S. policyholders or creditors.

§§ 18(d), 18(e), & 20(e) — *Commissioner's Powers*

The commissioner may:

1. examine the trust assets of any authorized U.S. branch, at the alien insurer's expense;
2. require the trustees to file a statement, in a form the commissioner prescribes, certifying the amounts and assets in the trust fund;
3. revoke the alien insurer's insurance license or liquidate the U.S. branch if a trustee violates or refuses to comply with the act's provisions; and
4. commence an insolvency proceeding against a U.S. branch whose condition is such, based on the quarterly or annual statements or a report indicating that its trust account balance has fallen below the minimum required level, that continuing in business would jeopardize its

U.S. policyholders, creditors, or the public.

§ 19 — Reporting Requirements

The act requires the branch to file two types of annual and quarterly statements with the commissioner and NAIC. In both cases, an annual statement must be filed by March 1 annually and quarterly statements by May 15, August 15, and November 15. In addition to the information described below, both types of statements must include any information the commissioner requires relating to the insurer's total business or assets, or any part of them.

The first type of statement covers the (1) U.S. insurance business the branch transacted, (2) assets held by or for the branch within the United States to protect U.S. policyholders and creditors, and (3) liabilities incurred against these assets. The statement may not contain any information on the alien insurer's or its branch's assets and business outside the United States. The statements must be in the same format required of an insurer domiciled in Connecticut and licensed to write the same kinds of insurance.

The second type of statement describes the amount of the trustee surplus. The "trustee surplus" is the total value of the branch's general state deposits and assets in the trust account, plus accrued investment income on them where the state collects this interest for the trustees, minus the total net amount of the branch's U.S. reserves and other liabilities. The branch must modify this amount using the procedure described below under "Trustee Surplus."

A manager, attorney-in-fact, or authorized assistant manager of the U.S. branch must sign and verify the annual statements. The trustees of a trust that holds securities and other property must certify these holdings in the annual statement of trustee surplus.

Each examination report of the U.S. branch must include a statement of the trustee surplus as of the date of the examination in addition to the general statement of the branch's financial condition.

§§ 17 & 19(a)(2) — Trustee Surplus

For the annual and quarterly statements on the net amount of its trustee surplus, the branch must add back the liabilities used to offset admitted assets reported on the corresponding statement. The branch must then deduct:

1. unearned premiums on insurance producers' balances or uncollected premiums up to 90 days past due, up to the unearned premium reserves carried on them;
2. reinsurance on losses with authorized insurers, less unpaid reinsurance premiums;

3. reinsurance recoverables on paid losses from unauthorized insurers that are included as assets in the corresponding statement, but only to the extent a liability for the unauthorized recoverables is included in the liabilities report in the trustee surplus statement;
4. special state deposits held in any state for the exclusive benefit of the branch's policyholders, or policyholders and creditors, not exceeding net liabilities reported by the branch for that state;
5. secured accrued retrospective premiums;
6. for life insurers, the (a) amount of its policy loans to U.S. policyholders, up to the amount of legal reserve required on each policy and (b) net amount of uncollected and deferred premiums; and
7. any other non-trustee asset that the commissioner determines secures liabilities in a substantially similar manner.

§ 21 — Domestication of the Branch

The act establishes a procedure under which an alien insurer can domesticate its Connecticut-licensed U.S. branch. Doing so requires the commissioner's prior written approval.

The alien insurer must enter into a written agreement with a Connecticut insurer under which the Connecticut insurer will succeed to all the branch's business and assets and assume all of its liabilities. The alien insurer must approve the agreement under the laws of the country where it is organized. The Connecticut insurer's president or vice-president must execute the agreement; its board of directors must approve it; and its secretary must certify the agreement under the insurer's corporate seal.

The insurers must submit their respective copies of the executed agreement and certified copies of their corporate proceedings approving it to the commissioner. The commissioner must approve the agreement if he finds that it (1) complies with the act's requirements and (2) will not materially harm the interests of the branch's policyholders and the Connecticut insurer. The commissioner must approve or disapprove the agreement within 60 days after receiving the later of the insurer's submissions.

The alien or Connecticut insurer must file a certified copy of the instrument of transfer and assumption of assets and liabilities. The instrument must be in a form satisfactory to the commissioner and executed by an authorized representative of each insurer.

The transfer is effective upon the commissioner's approval and the filing of the instrument with the commissioner. At that point, all of the branch's rights,

franchises, and interests in property and all of its liabilities and actions related to it are transferred to the Connecticut insurer.

The commissioner must direct the trustee of the branch's trusteed assets to pay or transfer them to the Connecticut insurer. All deposits of the branch held by the commissioner, or by state officers or other state regulatory agencies, must be deemed to be held as security for the satisfaction by the Connecticut company of all liabilities to be assumed from the branch. The deposits must be (1) deemed to be assets of the Connecticut insurer and (2) reported as such in the annual financial statements and other reports the Connecticut insurer must file. Upon the ultimate release of the deposits by the commissioner, state officer, or regulatory agency, the cash or securities constituting the released deposit must be paid or delivered to the Connecticut insurer as lawful successor to the branch.

A number of laws refer to the age of a company. With regard to these laws, the age of the Connecticut insurer is the age of the older of the two companies involved in the agreement.

§ 22 — *Trusteed Surplus for Alien Insurers*

By law, an alien property, marine, or casualty insurance company cannot be licensed to transact business in Connecticut unless it has a trusteed surplus that is at least as great as that required for similar out-of-state insurance companies. The act makes a conforming change redefining “trusteed surplus” for this purpose.

PA 14-175—sHB 5502

Insurance and Real Estate Committee

AN ACT CONCERNING CHANGES TO THE PROPERTY AND CASUALTY AND SURPLUS LINES INSURANCE STATUTES

SUMMARY: This act makes unrelated changes in property and casualty insurance laws. Among other things, it:

1. bars insurers from refusing to issue or renew a homeowners' policy solely because the insured failed to (a) install any type of storm shutters on a residential dwelling, rather than just permanent ones, or (b) have storm shutters on the premises of the dwelling;
2. expands the scope of the law prohibiting insurers from taking certain steps solely because of losses an insured homeowner incurs due to catastrophic events;
3. extends the deadline for filing a suit or action to recover a claim under a standard fire

insurance policy from 18 to 24 months after a loss;

4. allows certain insurers to provide flood insurance on a less-than-statewide basis, as selected by the insurer, and exempts flood insurance policies from requirements that insureds and surplus lines brokers state that they made diligent efforts to secure the insurance from a licensed insurer;
5. expands the notice provided on surplus lines insurance policies; and
6. makes any public adjuster employment contract that results from a solicitation made between 8 p.m. and 8 a.m. void *ab initio* (from the beginning) and thus unenforceable (§ 4). (The law already prohibits such solicitations.)

The act also makes minor, conforming, and technical changes.

EFFECTIVE DATE: Various, see below.

§§ 1 & 2 — HOMEOWNERS' INSURANCE

Storm Shutters

Prior law barred insurers from refusing to issue or renew a homeowners' insurance policy solely because the prospective or current insured failed to install permanent storm shutters on his or her residential dwelling to mitigate the loss from severe storms. The act expands this prohibition to cases where the prospective or current insured has failed to (1) install any type of storm shutters or (2) have storm shutters on the premises of the dwelling. This provision applies to policies delivered, issued, renewed, amended, or endorsed on or after October 1, 2014.

Catastrophic Events

Under prior law, an insurer could not (1) decline to issue or renew a homeowners' policy or (2) cancel one solely because of losses incurred from a catastrophic event that has been declared as such by a national catastrophic loss index provider. The act extends these prohibitions to losses incurred during one or more such catastrophic events, such as a series of storms. By law, an insurer is not considered to have violated this provision if coverage is available through an affiliated insurer.

EFFECTIVE DATE: October 1, 2014

§§ 3 & 8 — FIRE INSURANCE

Deadline for Filing Suits

The act extends the deadline for filing a suit or action to recover a claim under a standard fire insurance policy from 18 to 24 months after a loss.

Terms and Conditions

The law requires fire insurance policies and contracts to comply with the requirements for standard fire insurance forms specified in CGS § 38a-307. Among other things, that law describes the terms and conditions of coverage and how various terms used in the policies and contracts must be defined. The act specifies that the statute applies to policies and contracts made, issued, or delivered by nonadmitted insurers (e.g., surplus lines insurers) as well as admitted insurers. (Nonadmitted insurers are not regulated by the Insurance Department.) But, it allows a fire insurance policy or contract for a commercial property made, issued, or delivered by a nonadmitted insurer to define the term “depreciation” differently than existing law does. This provision applies to policies and contracts issued or renewed on or after July 1, 2014.

EFFECTIVE DATE: July 1, 2014 for the applicability of terms and conditions; October 1, 2014 and applicable to policies issued or renewed on or after that date for the deadline for filing suit.

§ 5 — FLOOD INSURANCE

The act allows any insurer licensed to provide homeowners’ or commercial property insurance covering one-to-four unit owner-occupied residential or commercial property to provide flood insurance on a less-than-statewide basis, as selected by the insurers.

EFFECTIVE DATE: Upon passage

§§ 6 & 7 — SURPLUS LINES

Signed Statement Exemption

The act exempts flood insurance policies, including policies procured under the National Flood Insurance Program, from the requirement that insureds and surplus lines brokers sign a statement indicating that diligent efforts were made to obtain insurance from a licensed insurer.

By law, the insurance commissioner must maintain a list of lines of insurance that he believes are generally unavailable from licensed insurers. Such insurance is provided by surplus lines insurers, whose policies are not reviewed by the Insurance Department.

The act exempts flood insurance policies from the requirement that, if an insured is not able to obtain the full amount of coverage he or she seeks from a licensed insurer for a line that is not on this list, the insured and the broker sign statements showing:

1. they are unable to procure, from licensed insurers after diligent effort, the full amount of insurance the insured needed to protect his or her interest from licensed insurers;

2. the amount of insurance procured from unlicensed insurers is only the excess over the amount they were able to procure from licensed insurers; and
3. the type of policy and, if it is for real property, the property’s location.

Brokers must file the signed statements electronically with the commissioner four times per year.

Notice

The act revises the notice statement that must be on the cover of a surplus lines policy. By law, each insurance policy issued by a surplus lines insurer must state the following, in 12-point capital letters, on its cover:

THIS IS A SURPLUS LINES POLICY AND IS NOT PROTECTED BY THE CONNECTICUT INSURANCE GUARANTY ASSOCIATION.

The act requires the notice to continue with:
OR SUBJECT TO REVIEW BY THE CONNECTICUT INSURANCE DEPARTMENT. IT IS IMPORTANT THAT YOU READ AND UNDERSTAND THIS POLICY.

The new language must also be in 12-point capital letters. Under the act, the expanded notice requirement applies to policies issued or renewed on or after January 1, 2015.

EFFECTIVE DATE: Upon passage for the signed statement exemption; January 1, 2015 for the notice requirement.

PA 14-193—SB 14

*Insurance and Real Estate Committee
General Law Committee
Judiciary Committee*

**AN ACT CONCERNING PHARMACY AUDITS
AND ELECTRONIC FUNDS TRANSFER
PAYMENTS TO PHARMACIES**

SUMMARY: This act prescribes how and by whom pharmacy audits can be conducted. It establishes the duties of the auditing entity and how pharmacies can validate their records. It requires the auditing entity to give the audited pharmacy a preliminary review and final report and allows the pharmacy to appeal the final report. It limits when a pharmacy can be subjected to a charge-back or recoupment.

Under the act, any information collected during an audit is confidential, but the auditing entity may share it with the pharmacy benefits manager (PBM) and the health insurance plan sponsor (e.g., an insurer or self-insured employer) for whom it conducted the audit. It bars the auditing entity from compensating its employees or contractors based on the amount claimed or actually recouped from the audited pharmacy.

The act does not apply to audits conducted when (1) a physical review or review of claims data or statements indicates fraud or other intentional or wilful misrepresentation or (2) other investigative methods indicate a pharmacy is or has been engaged in criminal wrongdoing, fraud, or other intentional or wilful misrepresentation.

The act allows the insurance commissioner to conduct investigations and hold hearings in connection with pharmacy audits. He may issue subpoenas, administer oaths, compel testimony, and order production of books, records, and documents. If any person refuses to appear, testify, or produce any book, record, paper, or document when ordered, a Superior Court judge may make appropriate orders upon the commissioner's application.

The act allows anyone aggrieved by the commissioner's order or decision to appeal to the courts and makes related minor and technical changes.

The act also requires a PBM, upon a pharmacy's written request, to pay claims to the pharmacy by electronic funds transfer. The payment must be made within 20 days if the claim was filed electronically and within 60 days if it was filed on paper.

EFFECTIVE DATE: October 1, 2014

PHARMACY AUDITS

Under the act, a pharmacy audit is one conducted of any pharmacy's records for prescription drugs or prescription devices the pharmacy dispenses to a health insurance plan's beneficiaries. The audit can be conducted on-site or remotely by, or on behalf of, a PBM or health insurance plan sponsor.

The act does not apply to a concurrent review or desk audit (1) that occurs within three business days of the pharmacy's transmitting a claim to a PBM or plan sponsor or (2) where the PBM or plan sponsor does not demand a charge-back or recoupment. The scope of a pharmacy audit is limited to (1) the 24-month period after the date the pharmacy submitted a claim to the PBM or plan sponsor, unless a longer period is required by law, and (2) no more than 250 prescriptions.

The act bars any entity other than a PBM or a plan sponsor from conducting a pharmacy audit unless the auditing entity and manager or sponsor, as applicable, have a written agreement on how the audits will be conducted. Before conducting an audit on the manager's

or sponsor's behalf, the entity must notify the pharmacy in writing that it and the manager or sponsor have executed the agreement.

The act bars the entity conducting an audit from compensating, directly or indirectly, any of its employees or contractors based on the amount claimed or the actual amount recouped from the pharmacy being audited.

DUTIES OF AUDITING ENTITY

Under the act, an auditing entity must:

1. give a pharmacy at least 10 business days written notice before conducting an audit;
2. give the pharmacy a masked list of prescriptions (one where the last two numbers of a prescription are marked with an "X") to help it prepare for the audit;
3. not initiate or schedule an audit during the first five business days of any month for a pharmacy that fills, on average, more than 600 prescriptions per week unless the audited pharmacy expressly agrees;
4. determine the validity of a prescription or other record according to the laws governing the dispensing of prescriptions or as specified in federal risk management programs;
5. accept paper or electronic signature logs documenting delivery of prescription drugs, devices, and pharmacist services to a health plan beneficiary or his or her agent; and
6. give a pharmacy representative a complete list of records reviewed before leaving the pharmacy at the end of an on-site portion of an audit.

In addition, a licensed pharmacist must conduct or be consulted in conducting any audit that involves clinical judgment. Under the act, except as otherwise provided by federal or state law, an auditing entity may access only its previous audit reports of the audited pharmacy.

VALIDATING RECORDS

Under the act, a pharmacy may use authentic and verifiable statements or records to validate the pharmacy record and delivery. These records can include, among other things, medication administration records of a nursing home, assisted living facility, hospital, or a health care provider authorized to write prescriptions.

A pharmacy may use any valid prescription to validate claims in connection with prescriptions, changes in prescriptions, or refills of prescription drugs. These can include, among other things, medication administration records, faxes, electronic prescriptions,

electronically stored images of prescriptions, electronically created annotations, or documented telephone calls from the prescribing health care provider or his or her agent. The pharmacy may also use documentation of an oral prescription order if the documentation is verified by the prescribing health care provider.

The entity conducting an audit may not use extrapolation to calculate penalties or amounts to be charged back or recouped unless otherwise mandated by federal requirements or federal plans. Under the act, “extrapolation” is the practice of inferring a frequency of dollar amount overpayments, underpayments, nonvalid claims, or other errors on any portion of claims submitted, based on the frequency or dollar amount actually measured in a sample of claims. The entity may not include dispensing fees when calculating overpayments unless a prescription is considered a misfill. A misfill is a prescription that was not dispensed, dispensed in error, or where the prescriber denied the authorization or charged an extra dispensing fee.

REPORTS AND APPEAL

The auditing entity must give the pharmacy an initial review within 60 calendar days after it concludes a pharmacy audit and before it issues a final audit report. The pharmacy can, within 30 calendar days after it receives the initial review, respond to the auditing entity’s findings.

The entity must issue a final audit report that considers any responses the pharmacy provides, within either 60 calendar days (1) after it receives any pharmacy response or, (2) if none is received, the entity concludes the audit. A pharmacy may appeal a final audit report according to procedures established by the entity.

CHARGE-BACKS AND RECOUPMENT

The act bars the auditing entity or a person acting on its behalf from (1) imposing a charge-back or recoupment, (2) attempting to charge back or recoup, or (3) assessing or collecting penalties from a pharmacy, until the deadline for appealing a final audit report has passed or the appeals process is exhausted, whichever is later. If an identified discrepancy in an audit exceeds \$25,000, a provider may withhold future payments to the pharmacy in excess of that amount pending adjudication of an appeal. No interest may accrue for any party during the audit period, beginning with the notice of the audit and ending with the conclusion of the appeals process.

The act also bars a charge-back or recoupment for a clerical or recordkeeping error in a required document or record, including a typographical, scrivener’s, or computer error, unless the error causes financial harm to the PBM, plan sponsor, or a plan beneficiary.

PA 14-195—SB 185

Insurance and Real Estate Committee

AN ACT CONCERNING CHANGES TO THE STANDARD VALUATION AND NONFORFEITURE LAWS, AND THE USE OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS’ VALUATION MANUAL

SUMMARY: This act modifies and expands, in two stages, the scope of the laws governing reserve requirements for insurance companies. By law, the insurance commissioner must annually value, or cause to be valued, the reserves of life insurance companies. The act expands (1) requirements for an actuary’s opinion and memorandum on the sufficiency of the reserves, (2) confidentiality provisions regarding information submitted under these requirements, and (3) the commissioner’s powers in using this information.

These provisions run until the National Association of Insurance Commissioners’ (NAIC) Valuation Manual goes into effect in Connecticut. At that point, they are superseded by similar provisions that apply to a broader range of insurers. The act specifies (1) the issues the manual must address and (2) when the manual and its changes take effect in Connecticut.

Once the manual goes into effect in Connecticut, the act requires each company issuing life, accident, and health insurance and deposit-type contracts (those that do not account for the risks of death or sickness) to establish reserves using a “principle-based valuation” for policies or contracts as the manual requires. The act specifies the requirements for this valuation approach and sets valuation standards if the manual does not require companies to use this approach. It requires the commissioner to value, or cause to be valued, the reserves for all outstanding contracts in these lines for all companies that write such contracts in Connecticut or have the authority to do so.

The act makes minor and technical changes in the statutory minimum standards for valuing the reserves of life insurance plans until the manual goes into effect in Connecticut.

The act extends requirements for an actuary’s opinion and memorandum on the sufficiency of the reserves to the contracts the act covers. It broadens, once the manual goes into effect, the types of information considered confidential.

The provisions that apply once the manual goes into effect govern policies and contracts issued on or after the manual's effective date. Several of these provisions do not apply to a fraternal benefit society unless it chooses to use the valuation standards that apply to other types of insurers.

The act makes related minor, conforming, and technical changes (§§ 3-5).

EFFECTIVE DATE: Upon passage

§ 1 — MODIFICATIONS OF RESERVE
REQUIREMENTS FOR LIFE INSURANCE
COMPANIES BEFORE MANUAL TAKES EFFECT

§ 1(a)(1) — *Commissioner's Duties and Powers*

By law, the insurance commissioner must annually value, or cause to be valued, the reserves for all outstanding life insurance policies and annuity and pure endowment contracts of life insurance companies doing business in Connecticut. For alien (non-U.S.) companies, the valuation is limited to the company's U.S. business.

The act eliminates the commissioner's power to certify the amount of the reserves and specify the mortality table or tables, rate or rates of interest, and methods used to calculate them.

The act expands the commissioner's authority to accept a valuation made by or caused to be made by the insurance regulatory official of another state or country. It does so by eliminating the requirement that the other jurisdiction grant reciprocity in valuations made by the commissioner.

§ 1(b)(2-4) — *Actuary's Opinion and Memorandum*

By law, each life insurance company doing business in Connecticut must annually submit a qualified actuary's opinion and a supporting memorandum on whether the reserves and related actuarial items held to support its policies and contracts meet statutory requirements. The act provides that, if other provisions of insurance law conflict with the requirements of the act or existing law, the other provisions govern.

By law, the commissioner can engage an actuary, at the company's expense, if the memorandum is not prepared or is deficient. The act specifies that the commissioner can do so either by employing or contracting with the actuary.

The act specifically requires the commissioner to adopt regulations to specify:

1. the standards for the supporting memorandum and
2. how soon the company must provide a memorandum after the commissioner requests one.

§ 1(b)(8) & 1(c) — *Confidentiality*

The act broadens the confidentiality provisions related to an actuary's opinion and memorandum.

By law, the commissioner must keep confidential any memorandum in support of the opinion and any other material the company provides him. This material may not be made public and is not subject to subpoena, other than to defend an action seeking damages by reason of any act required by law.

But the commissioner may release the material:

1. with the company's written consent or
2. if the American Academy of Actuaries requests it for disciplinary proceedings and establishes procedures satisfactory to the commissioner to preserve its confidentiality.

In addition, once the company refers to any part of the memorandum in its marketing or releases the information to the news media, or the information is referred to before a governmental agency other than a state insurance department, the entire memorandum is no longer confidential.

Under the act, any information in the department's possession or control relating to the memorandum is (1) confidential and privileged, except as provided above; (2) exempt from disclosure under the Freedom of Information Act; (3) not subject to subpoena, except to defend an action for damages by the actuary; and (4) not subject to discovery or admissible in evidence in any civil action in this state. Also, the commissioner or anyone who receives the information relating to the memorandum while acting under his authority may not be permitted or required to testify in any civil action concerning it.

§ 1(b)(8 & 9) — *Commissioner's Powers*

The act allows the commissioner to use information in or related to the memorandum to further any regulatory or legal action brought as part of his official duties. It allows the commissioner to:

1. share information, including information deemed confidential and privileged, with (a) other state, federal, and international regulatory officials, (b) NAIC, its affiliates, and subsidiaries, and (c) state, federal, and international law enforcement officials, provided the recipient agrees in writing to maintain its confidentiality and privileged status;
2. receive information, including confidential and privileged information, from (a) NAIC, its affiliates, or subsidiaries and (b) regulatory and law enforcement officials of other jurisdictions; and

3. enter into written agreements governing the sharing and use of the information consistent with these confidentiality provisions.

The commissioner must maintain the confidentiality and privileged status of any information he receives when notified, or with the understanding, that it is confidential and privileged under the laws of the source jurisdiction. Disclosure to the commissioner or sharing authorized under the act does not waive any applicable privilege or claims.

§ 2 — VALUATION MANUAL

The act requires accident and health and life insurers and those that write or have authority to write deposit-type contracts to use the NAIC Valuation Manual for determining the value of their reserves once specified triggering events occur.

§ 2(c)(1) — *Issues Addressed in the Manual*

The act requires the manual to specify:

1. the minimum valuation standards for the policies or contracts it covers, including that the (a) commissioner's annuity reserve valuation method must be the standard for annuity contracts, (b) commissioner's reserve valuation method must be the standard for other life insurance contracts, and (c) manual must specify minimum reserves for all other affected policies or contracts;
2. the policies or contracts or types of policies or contracts that must establish reserves using a principle-based valuation (see below) and the minimum valuation standards consistent with these requirements;
3. for policies or contracts subject to principle-based valuation, the (a) requirements for formatting reports submitted to the commissioner, including the information required to determine if the valuation is appropriate and complies with the act, (b) assumptions prescribed for risks beyond the company's significant control or influence, and (c) procedures for the corporate governance and oversight of the actuarial function and a process for appropriate waiver or modification of these procedures;
4. for policies or contracts not subject to principle-based valuation, the minimum valuation standard, which must (a) be consistent with the standard in effect before the manual goes into effect or (b) develop reserves that quantify the benefits, guarantees, and funding associated with the policies or contracts and their risks, at a level of conservatism reflecting conditions that include unfavorable events that have a reasonable probability of occurring;

5. other requirements, including reserve methods, models for measuring risk, generating economic scenarios, assumptions, margins, use of company experience, risk measurement, disclosures, certifications, reports, actuarial opinions and memoranda, transition rules, and internal controls; and
6. the data companies must submit, its form, who gets it, and other information that may be required, including data analyses and reporting.

If (1) there is no specific valuation requirement or (2) the commissioner believes that a specific requirement in the manual does not comply with the act, he must direct a company to comply with the minimum valuation standards prescribed by department regulations.

Under the act, "principle-based valuation" uses one or more assumptions or methods determined by a company to value reserves.

§ 2(a) — EFFECTIVE DATE OF THE MANUAL

Initial Adoption of the Manual

Under the act, the manual goes into effect January 1 of the first calendar year following the first July 1 when all of the following have occurred:

1. NAIC, by an affirmative vote of at least 42 of its members or three-quarters of the members voting, whichever is greater, has adopted the manual;
2. the Standard Valuation Law, as amended by NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing more than 75% of the direct written premiums as reported in the following types of annual statements submitted to NAIC for 2008: life insurance, accident and health insurance, health insurance, and fraternal benefit societies; and
3. at least 42 of the 50 specified U.S. jurisdictions have enacted the Standard Valuation Law, as amended by NAIC in 2009, or legislation including substantially similar terms and provisions.

After all of these events occur, the insurance commissioner must certify they occurred and notify affected companies of the certification and the manual's effective date.

Changes to the Manual

Under the act, unless a later effective date is specified, a change to the manual applies on January 1 of the first calendar year after:

1. NAIC adopts the change by an affirmative vote of at least three-quarters of its members voting but not less than a majority of its total membership and
2. the change has been adopted by NAIC members representing jurisdictions totaling more than 75% of the direct written premiums for life insurance, accident and health insurance, health insurance, or fraternal benefit society annual statements, as reported in the most recent annual statement submitted to NAIC.

After both have occurred, the commissioner must certify they occurred and notify companies of the certification, the change to the manual, and the change's effective date.

§ 1(m) & (n) — ESTABLISHING RESERVES AFTER THE MANUAL TAKES EFFECT

Once the manual goes into effect, the act requires each company issuing life insurance, accident and health insurance, and deposit-type contracts to establish reserves using a principle-based valuation for policies or contracts as required by the manual. But the requirement does not apply to fraternal benefit societies, unless they choose to use the valuation standards that apply to other types of insurers.

The valuation must:

1. quantify the benefits, guarantees, and funding associated with the policies or contracts and their risks, at a level of conservatism reflecting conditions that include unfavorable events that have a reasonable probability of occurring during the lifetime of the policies or contracts;
2. incorporate assumptions, risk analysis methods, financial models, and management techniques generally consistent with those the company uses in its overall risk assessment process, while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods;
3. incorporate assumptions prescribed in the manual or, if an assumption is not prescribed, make the assumption using the company's available experience, to the extent it is relevant and statistically credible, or establish assumptions using other relevant and statistically credible experience when its own experience data is not available; and

4. provide margins for uncertainty including adverse deviation and estimation error, so that the greater the uncertainty, the larger the margin and resulting reserves.

For policies or contracts with significant "tail risk" (unlikely but potentially very expensive risks), the valuation must reflect appropriately adverse conditions to quantify the tail risk.

Governance and Internal Controls

A company using principle-based valuation for one or more policies or contracts must:

1. establish a procedure for corporate governance and oversight of the actuarial valuation function consistent with those described in the manual;
2. annually certify to the commissioner and the company's board of directors the effectiveness of the internal controls with respect to the principle-based valuation; and
3. develop and file with the commissioner, upon request, a principle-based valuation report that complies with standards prescribed in the manual.

The controls must be designed to ensure that:

1. all material risks inherent in the liabilities and associated assets subject to the valuation are included in the valuation and
2. the valuations are made according to the manual.

The certification must be based on the internal controls in place as of the end of the preceding calendar year.

The company must also submit, presumably to the commissioner, mortality, morbidity, policyholder behavior, or expense experience and other data in accordance with the manual's requirements. Under the act, "policyholder behavior" is any action a policyholder, contract holder, certificate holder, or other person who may elect options may take under a policy or contract. Policyholder behavior includes such things as withdrawals, premium payments, and benefit elections prescribed by the policy or contract. But it does not include deaths or illnesses that result in benefits (e.g., a life insurance policyholder dying and his beneficiaries being paid).

§ 2(c) — VALUATION OF RESERVES AFTER THE MANUAL TAKES EFFECT

The act requires the commissioner, once the manual takes effect, to annually value the reserves for all outstanding life insurance, accident and health insurance, and deposit-type contracts of every company. For out-of-state companies, he may accept a valuation

made by the insurance regulatory official of another jurisdiction if it complies with the act's standards. This requirement does not apply to a fraternal benefit society, unless it chooses to use the valuation standards that apply to other types of insurers.

§ 1(b) — ACTUARY'S OPINION

Under the act, every company with outstanding contracts in Connecticut must annually submit the opinion of an actuary as to whether the reserves and related actuarial items held in support of the policies and contracts:

1. are computed appropriately,
2. are based on assumptions that satisfy contractual provisions,
3. are consistent with prior reported amounts, and
4. comply with applicable state laws.

In addition to the qualifications required under existing law, the act requires the actuary to be appointed in accordance with the manual.

Unless exempted by the manual, the same actuary must give an opinion as to whether the reserves and related actuarial items adequately provide for the company's obligations under the policies and contracts, including the benefits under and expenses associated with them.

The actuary must prepare a memorandum that supports the opinion and give it to the company. If (1) a company fails to provide a memorandum at the commissioner's request within the time period specified in the manual or (2) the commissioner determines that the memorandum fails to meet the manual's standards or is unacceptable, he may engage another actuary, at the company's expense, to review the opinion and its basis and prepare the memorandum.

Each opinion must:

1. be submitted to the commissioner with the annual statement reflecting the valuation of the reserves for each year ending on or after December 31 of the year the manual goes into effect,
2. apply to all of the affected policies and contracts and any other actuarial liabilities the manual specifies, and
3. be based on standards adopted periodically by the Actuarial Standards Board or its successor and any additional standards prescribed in the manual.

The commissioner may hire or contract with a qualified actuary, at a company's expense, to (1) perform an actuarial examination of the company and (2) (a) provide an opinion on the appropriateness of any reserve assumption or method the company used or (b) review and provide an opinion on the company's compliance with any of the act's requirements. The act

allows the commissioner to rely on the opinion, regarding these requirements, of a qualified actuary engaged by the insurance regulatory official of another U.S. jurisdiction.

The commissioner may require a company to change any assumption or method that he deems necessary to comply with the requirements of the act or the manual, and the company must adjust its reserves as the commissioner requires.

§ 2(g) — CONFIDENTIALITY

Once the manual goes into effect, the act broadens the types of information considered confidential. At that point, the following information is generally considered confidential:

1. the memorandum supporting an actuary's opinion and related documents;
2. all reports, documents, materials, and other information a company develops in support of or in connection with the annual certification of the effectiveness of its internal controls;
3. any valuation report developed under the act; and
4. all submitted information regarding mortality, morbidity, policyholder behavior, or expense experience and any related information that includes any potentially company-identifying or personally identifiable information obtained by or provided to the commissioner.

The act also treats as confidential all documents, materials, and other information and their copies created, produced, or obtained by or disclosed to the commissioner or any other person in the course of an examination conducted under the act or in connection with the memorandum, certification, report, or information submitted concerning policyholder behavior or expense experience.

Under the act, a company's confidential information is generally subject to the same confidentiality protections that applied to submissions by life insurance companies under prior law, as modified by the act (see above).

§ 2(g)(3) — Commissioner's Powers

To help him perform his duties, the commissioner may share confidential information:

1. with other state, federal, and international regulatory agencies and NAIC, its affiliates, and its subsidiaries and
2. concerning the supporting memorandum or principle-based valuation report or related documents with (a) the Actuarial Board for Counseling and Discipline or its successor upon its request when it needs the information

for professional disciplinary proceedings and (b) state, federal, and international law enforcement officials.

The recipient must agree, in writing, and have the legal authority to agree, to maintain the information's confidentiality and privileged status in the same way and to the same extent as required for the commissioner.

The act allows the commissioner to receive documents, materials, data, and other information, including those that are confidential and privileged, from the same entities with which he can share such information. He must maintain the confidentiality of any documents, materials, data, or other information received with notice or the understanding that they are confidential and privileged under the laws of the jurisdiction that is their source.

The act allows the commissioner to enter into written agreements governing the sharing and use of documents, materials, data, and other information, if they are consistent with its provisions.

PA 14-216—SB 480

Insurance and Real Estate Committee

AN ACT CONCERNING LIFE INSURANCE PRODUCER LICENSES AND REGISTRATIONS OF BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT ADVISER AGENTS, AND THE INSURANCE COMMISSIONER'S AUTHORITY TO DENY AN APPLICATION FOR AN INSURANCE PRODUCER LICENSE

SUMMARY: This act broadens the reasons why the insurance commissioner can deny an application for an insurance producer's license. It requires him to consider sanctions that the Banking Department may have imposed on a license applicant or current licensee in (1) denying the application or (2) not renewing, suspending, or revoking an existing license.

EFFECTIVE DATE: October 1, 2014

APPLICATIONS FOR INSURANCE PRODUCER LICENSES

The law requires the insurance commissioner to issue an insurance producer license to a person who (1) is at least 18 years old; (2) completes the requisite course of study; (3) passes the licensing examination; and (4) pays the license fee, so long as he or she has not committed an act that is grounds for denying, suspending, or revoking a license. The act additionally allows the commissioner to deny a license if he determines that (1) the applicant is not properly qualified or trustworthy and (2) granting the license is

against the public interest.

If the commissioner denies the application, he must inform the applicant in writing of his reasons for doing so. The applicant can request a hearing in writing within 30 days of receiving this notice. The commissioner must (1) hold the hearing within 20 days of receiving the request, (2) give the applicant at least 10 days' notice of the time and place of the hearing, and (3) issue his final decision within 45 days after the hearing. A person aggrieved by the final order or decision can appeal.

The act also requires the banking commissioner to provide monthly lists to the insurance commissioner with the names and Social Security numbers of certain professionals the Banking Department regulates who (1) are currently registered with the banking commissioner and (2) have had their registrations denied, suspended, or revoked during the preceding 10 years. The regulated professions are (1) broker-dealers, (2) agents associated with a broker-dealer or an issuer, (3) investment advisers, and (4) investment adviser agents. The second list must include the reason for the Banking Department's sanction.

The act requires the insurance commissioner to determine whether the second list includes any (1) applicant for an insurance producer license or (2) existing licensee. The insurance commissioner must consider the Banking Department sanction, in addition to the factors he must already consider for denying a license, in determining whether to grant a producer license. The commissioner can also deny the application if he determines (1) the applicant is not properly qualified or trustworthy and (2) granting the license is not in the public interest.

If the commissioner denies an application, he must advise the applicant in writing of the reason for his action. The applicant can request a hearing in writing within 30 days of receiving this notice to determine the reasonableness of the denial. The hearing is subject to provisions that generally apply to Insurance Department hearings. Any appeal must be brought in New Britain Superior Court.

REVIEWING LICENSED INSURANCE PRODUCERS

If the insurance commissioner determines that (1) a licensed insurance producer is on the second list submitted by the Banking Department and (2) the sanction was not previously disclosed or known to him, he must consider whether the sanction, taken with the existing grounds for nonrenewal, suspension, or revocation of a producer's license, materially affects the producer's qualifications or trustworthiness. After providing reasonable notice to the producer, the commissioner must hold a hearing to make the determination. He may suspend, revoke, or choose not

to renew the producer's license if he determines that (1) the producer is not qualified or trustworthy and (2) renewing or continuing the license is against the public interest.

If the commissioner takes these actions, he must notify the licensee and advise him or her, in writing, of the reason for the sanction. Anyone aggrieved by the sanction may appeal to New Britain Superior Court.

BACKGROUND

Professions Registered with the Banking Department

By law, the following professionals must register with the Banking Department: (1) broker-dealers, (2) agents associated with a broker-dealer or an issuer, (3) investment advisers, and (4) investment adviser agents. A broker-dealer engages in securities transactions for others or his or her own account. An investment adviser is someone who, for compensation, (1) advises others on the value of securities or the advisability of investing in, buying, or selling securities or (2) as a part of a regular business, issues or promulgates analyses or reports concerning securities.

The department can deny, suspend, or revoke a registration on several grounds. These include any (1) wilful violation or failure to comply with the laws governing these professions or (2) conviction, within the past 10 years, for any (a) misdemeanor involving a security or any aspect of a business involving securities, commodities, investments, franchises, business opportunities, insurance, banking, or finance or (b) felony.

Lastly, the act makes numerous technical changes.
EFFECTIVE DATE: October 1, 2014

TPAs

By law, the insurance commissioner can examine the market conduct of TPAs as well as administrators. The act:

1. allows the commissioner, his actuary, or other authorized examiner to examine the TPA's officers, agents, and other relevant persons under oath;
2. requires the TPA to produce books and papers it possesses relating to its business;
3. requires the TPA to facilitate the examination and aid the examiners; and
4. requires the TPA to pay for the cost of the examination.

The act requires the examiner to issue a report based only on the TPA's books, papers, records, documents, and sworn testimony. It makes the report presumptive evidence in any action or proceeding by the state against the TPA. It requires the commissioner to grant the TPA a hearing before filing the report.

The act bars TPA officers or persons connected with or interested in them from serving as examiners.

All of these provisions already apply to insurers under existing law.

PA 14-235—sHB 5254

Insurance and Real Estate Committee

AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL AND MINOR CHANGES TO THE INSURANCE STATUTES

SUMMARY: This act makes conforming changes to reflect provisions of PA 11-58 that extended the law governing Insurance Department market conduct examinations to third-party administrators (TPAs – organizations that process insurance claims).

By law, an entity that is the subject of a market conduct examination generally must pay its costs. This provision does not apply to Connecticut insurance companies, which are subject to the assessment that pays the department's expenses. The act (§ 65) similarly exempts Connecticut health care centers (HMOs), which are also subject to this assessment, from paying the costs for such an examination.

PA 14-3—sSB 494
Judiciary Committee

AN ACT CONCERNING GUARDIANS AD LITEM AND ATTORNEYS FOR MINOR CHILDREN IN FAMILY RELATIONS MATTERS

SUMMARY: This act establishes new requirements and Superior Court procedures related to the appointment of guardians ad litem (GALs) and counsels for minor children (CMCs) in family relations and other matters. It:

1. allows parties to jointly request the appointment of a specific GAL or CMC or choose one, within two weeks, from a list of 15 provided by the court;
2. requires the court to (a) appoint a GAL or CMC from the list if the parties fail to agree or fail to provide timely notification and (b) include in its subsequent order the appointed GAL's or CMC's duties, the duration of the appointment, a fee schedule, and a proposed schedule for periodic court review;
3. requires GALs and CMCs to file an affidavit on the hours and expenses billed, which becomes a part of the case file;
4. allows certain parties to seek removal of a GAL or CMC and requires the Judicial Branch to develop court procedures for removal hearings;
5. sets the parameters for GALs', CMCs', and health care professionals' participation in court proceedings;
6. provides a list of factors for GALs and CMCs to consider in determining the best interest of the child; and
7. establishes new GAL and CMC compensation requirements, such as (a) the calculation of fees on a sliding scale by a methodology the Judicial Branch must develop and (b) prohibiting courts from ordering the payment of fees from a minor child's college savings funds and certain other exempt property.

The act requires the Judicial Branch to develop a professional code of conduct for GALs and CMCs in family relations matters and a publication on their roles and responsibilities.

The act also (1) requires the court to specify the basis for its decision in orders regarding custody, care, education, visitation, and support of children and (2) changes eligibility criteria the judicial authority may consider in determining whether to appoint counsel for parties unable to afford one. The act also makes technical changes.

EFFECTIVE DATE: October 1, 2014, except for the (1) Judicial Branch's publication, which is effective July 1, 2014, and (2) GAL and CMC professional code of conduct, which is effective upon passage.

§§ 1-3 — GAL AND CMC NEW APPOINTMENT PROCEDURE

By law, a GAL is someone, not necessarily an attorney, the court appoints during certain proceedings to gather information at its request and report on what he or she believes is in a person's best interest. A CMC is an attorney appointed by the court to advocate in court for a minor child's (person under age 18) best interest.

GAL and CMC Appointment

By law, a court may appoint a GAL or CMC in family relations matters involving minor children (see BACKGROUND). The court may also appoint a CMC in certain cases where a third party wishes to be awarded full or partial custody of a minor child. The act establishes new procedures for GAL and CMC appointment in these matters. (PA 14-207, § 13, amends the definition of "family relations matters" to exclude (1) juvenile matters; (2) matters on appeal from probate court concerning adoption or termination of parental rights, appointment and removal of guardians, and child custody orders; and (3) other children or family relations matters formerly included at the Superior Court's discretion. In doing so, it narrows the scope of the new GAL and CMC appointment procedures and requirements.)

The act authorizes the court to appoint a GAL for a minor child in the same circumstances that it may appoint a CMC. Thus, if the court deems it to be in the best interest of a child, it may appoint a CMC or GAL at any time (1) after the return date of an annulment, divorce, or legal separation or (2) when any such action is controversial. The court may do so on its own motion or at the request of either party, a legal guardian, or a child old enough and capable of making an intelligent request.

Under the act, when a GAL or CMC is being appointed in any of the cases mentioned above, the:

1. court must provide the parties with a list of 15 people it has determined eligible to serve as GALs or CMCs;
2. parties, within two weeks after the court provides the list, must notify the court in writing of the name of the person they have selected to serve; and
3. court must appoint one of the people from the list to serve if the parties cannot agree or do not notify the court in a timely manner.

In most cases, the court must consider any unique circumstances of the parties and any child when determining whether a person is eligible to serve as a GAL or CMC. Under the act, such circumstances include:

1. financial circumstances;
2. language or transportation barriers;
3. physical, mental, or learning disabilities; and
4. the geographic proximity of the person's office to the residence of each of the parties and to the court where the matter is pending.

Under the act, the new appointment procedures do not apply (1) in an emergency or (2) if the parties ask the court to appoint a specific GAL or CMC by submitting a written agreement to the court with the name of the person they have selected.

Duties, Duration of Appointment, Fee Schedule, and Periodic Review

Under the act, within 21 days after the court has ordered the appointment of a GAL or CMC, it must enter a subsequent order, which must include the:

1. specific nature of the GAL's or CMC's duties;
2. appointment end date, which the court may extend for good cause shown;
3. deadline for the GAL or CMC to report to the court on the work he or she has done;
4. fee schedule, which must include the (a) retainer amount, (b) hourly rate, (c) each party's share of the retainer and hourly fees, and (d) if applicable, information related to the calculation of fees on a sliding scale; and
5. proposed schedule of periodic court review of the GAL's or CMC's work done and fees charged.

Under the act, the court must review the GAL's or CMC's work and fees at least once every three months after his or her appointment. The act allows the parties and the GAL or CMC to waive this review by filing a written agreement with the court.

GAL and CMC Affidavit

The act requires a GAL and CMC in a family relations matter to file with the court, within 30 days after the entry of a final judgment, an affidavit that includes the:

1. case name and docket number,
2. total number of hours and expenses billed, and
3. hourly fee and total amount charged.

A GAL and CMC must not charge the parties for preparing the affidavit, which must be part of the case file.

§ 2 — DIVORCE, ANNULMENT, OR LEGAL SEPARATION CASES

Limitations on GAL or CMC Appointment

Under the act, in divorce, annulment, or legal separation cases (types of family relations matters), and where the parties have not agreed, the court may appoint a GAL or CMC only when, in its discretion, reasonable options and efforts have been made to resolve the parties' dispute regarding the custody, care, education, visitation, or support of a minor child. If there is an agreement, the court must review it.

GALs', CMCs', and Health Care Professionals' Participation in Court Proceedings

By law, a CMC must participate in a minor child's custody, care, education, visitation, or support proceeding if the court deems it is in the child's best interest. The act also requires GALs to participate under those circumstances.

Under the act, to the extent practicable, the court must allow a GAL or CMC to participate at (1) the beginning or conclusion of the matter or (2) any other time the court deems appropriate to minimize legal fees incurred by the parties.

The act prohibits a GAL or CMC from speaking or reporting to the court on any medical diagnosis or conclusion of a health care professional treating the minor child, unless the parties have refused to cooperate in paying for or obtaining records containing the health care professional's medical diagnosis or conclusion. (PA 14-207, § 14, instead allows a GAL or CMC to be heard on such a matter if (1) at least one party has refused to cooperate in paying for or obtaining the records and (2) the GAL or CMC possesses the treating healthcare professional's medical record or report that indicates or supports the medical diagnosis or conclusion concerning the child.)

Under the act, if the court deems it to be in the child's best interests, the health care professional must be heard on matters pertaining to the child's interests, including the child's custody, care, support, education, and visitation.

Best Interest of the Child Factors

By law, a GAL or CMC must consider the child's best interests. The act provides a list of factors that they must consider in doing so, but it does not require them to assign any weight to any of the factors considered. The factors include:

1. the child's temperament and developmental needs;
2. the parent's capacity and disposition to understand and meet the child's needs;

3. any relevant and material information obtained from the child, including his or her informed preferences;
4. the wishes of the child's parents as to custody;
5. the child's past and current interaction and relationship with each parent, the child's siblings, and any other person who may significantly affect the child's best interests;
6. each parent's willingness and ability to facilitate and encourage a continuing parent-child relationship between the child and the other parent as is appropriate, including compliance with any court orders;
7. any manipulation by or coercive behavior of the parents in an effort to involve the child in the parents' dispute;
8. each parent's ability to be actively involved in the child's life;
9. the child's adjustment to his or her home, school, and community environments;
10. how long the child has lived in a stable and satisfactory environment and the desirability of maintaining continuity in such an environment, but the GAL or CMC may consider it favorably that a parent voluntarily leaves the child's family home temporarily to relieve household stress;
11. the stability of the child's existing or proposed residence;
12. the involved individuals' mental and physical health, except the disability of a proposed custodial parent or other party must not determine custody unless the proposed custodial arrangement is not in the child's best interests;
13. the child's cultural background;
14. the effect of an abuser's actions on the child, if any domestic violence has occurred between the parents or between a parent and another individual or the child;
15. whether the child or his or her sibling has been abused or neglected; and
16. whether a party satisfactorily completed the legally required parenting education program.

§ 4 — STANDING TO SEEK REMOVAL OF GAL OR CMC

The act allows parties to a case involving a minor child's care, custody, support, education, or visitation to file a motion to seek removal of a GAL or CMC (i.e., it gives such parties "standing").

It requires the Judicial Branch to establish procedures for a hearing on the motion.

Under the act, the court (1) may, before hearing the motion, refer the parties to the Judicial Branch's family

services unit and (2) if there is no resolution, must hold a hearing and decide on the motion for removal.

§ 5 — GAL AND CMC COMPENSATION

Reasonable Fees

By law, if the court appoints an attorney for a minor child in a case involving divorce, annulment, legal separation, child support enforcement, revocation or construction of wills, or in any family relations matter, it may order the attorney's reasonable fees be paid:

1. by the father, mother, or intervening party, individually or in any combination;
2. from the child's estate, in whole or in part; or
3. by the Public Defender Services commissioner, if the child is receiving or has received state aid or care.

The act replaces the term "attorney for a minor child" with "counsel for a minor child" (CMC).

The act allows the court, in cases where a GAL is appointed, to also order these payment options for the GAL's reasonable fees.

College Savings Accounts, Credit Cards, and Exempt Property

The act prohibits the court from ordering the father, mother, or intervening party to pay the GAL's or CMC's reasonable fees from (1) income or assets not subject to debt collection or court order (i.e., "exempt property") or (2) a college savings account established for the minor child, including tuition programs established and maintained by a state or its agency or instrumentality, or by one or more eligible education institutions (i.e., "qualified tuition programs") (see BACKGROUND).

The act also prohibits the court from ordering a party unable to pay the GAL's or CMC's reasonable fees to pay by credit card.

Sliding-Scale Basis

Under the act, in cases where the court appoints a GAL or CMC, after considering the parties' income and assets, the judge may order the fees to be calculated on a sliding scale. The act requires the Judicial Branch to develop and implement a methodology for calculating GALs' and CMCs' fees on a sliding scale.

§ 6 — JUDICIAL BRANCH'S FAMILY RELATIONS PUBLICATION

The act requires the Judicial Branch to develop a publication on the roles and responsibilities of GALs and CMCs in family relations matters. The publication must (1) be available to the public in hard copy and on

the Judicial Branch's website and (2) include detailed information describing the process for an indigent party to apply to the court for GAL and CMC appointment in a family relations matter. (PA 14-207, §§ 13 & 15, narrows the scope of the required publication by changing the definition of "family relations matters," as described above.)

§ 7 — GAL AND CMC CODE OF CONDUCT

Under the act, by October 1, 2014, the Judicial Branch must develop and implement a professional code of conduct for GALs and CMCs appointed in family relations matters. (PA 14-207, §§ 13 & 16, narrows the scope of the required professional code of conduct by changing the definition of "family relations matters," as described above.)

§ 8 — CUSTODY, CARE, EDUCATION, VISITATION, AND SUPPORT ORDERS

The act requires the court to specify the basis for its decision when it makes or modifies orders regarding custody, care, education, visitation, and support of children. By law, the court must consider the best interests of the child and a list of factors in doing so, but is not required to assign a weight to any of the factors that it considers.

§ 9 — ELIGIBILITY FOR APPOINTMENT OF COUNSEL

By law, if a child or youth and his or her parents or guardians are unable to afford counsel in a family relations matter, the judicial authority must determine their eligibility for counsel (e.g., a public defender). To this end, the parents or guardians must complete a sworn written statement showing their liabilities, assets, income, sources of income, and any other information required on the Public Defender Services Commission's forms.

The act requires the judicial authority, when determining eligibility for appointment of counsel, to examine the parent's or guardian's present ability to afford counsel. But, the judicial authority cannot consider a parent's or guardian's prior history of payments to counsel or prior ability to afford counsel as evidence of present ability to afford counsel.

BACKGROUND

Family Relations Matters

By law, "family relations matters" include divorce; legal separation; annulment; alimony; support; custody; visitation; civil restraining orders; name change; civil support obligations; petitions on behalf of a mentally ill

person not charged with a crime; wrongful convictions; juvenile matters; paternity; appeals from probate court decisions concerning adoption, termination of parental rights, appointment and removal of guardians, custody of a minor child, appointment and removal of conservators, child custody orders, and other commitment orders; actions related to prenuptial and separation agreements and to matrimonial and civil union decrees of a foreign jurisdiction; dissolution, legal separation, or annulment of a civil union performed in a foreign jurisdiction; interstate child custody matters; and all other matters within the Superior Court's jurisdiction concerning children or family relations as the court determines (CGS § 46b-1).

(PA 14-207, § 13, amends the definition of "family relations matters" by excluding (1) juvenile matters; (2) matters on appeal from probate court concerning adoption or termination of parental rights, appointment and removal of guardians, and child custody orders; and (3) other children or family relations matters formerly included at the Superior Court's discretion and in so doing it narrows the scope of the new GAL and CMC requirements.)

Exempt Property

By law, exempt properties are those not subject to any debt collection process or court order. They include:

1. necessary apparel, bedding, foodstuff, household furniture, appliances, tools, books, and instruments;
2. burial plots;
3. public assistance payments;
4. health and disability insurance payments;
5. workers' compensation, Social Security, veterans', and unemployment benefits;
6. court-approved child support payments;
7. one motor vehicle valued up to \$3,500 (i.e., fair market value less liens);
8. wedding and engagement rings;
9. residential utility deposits for one residence, and one residential security deposit;
10. alimony and support, other than child support, if wages are exempt from execution;
11. up to \$1,000 interest in any property;
12. certain interests and accrued dividends in certain unmatured life insurance contracts; and
13. owner-occupied residential property valued up to \$75,000 (CGS §§ 52-352a & 352b).

Qualified Tuition Program

A "qualified tuition program" is a program established and maintained by a state, its agency or instrumentality, or by one or more eligible educational institutions that allows a person to:

1. purchase tuition credits or certificates on behalf of a designated beneficiary entitling him or her to the waiver or payment of his or her qualified higher education expenses or
2. make contributions to an account established for the beneficiary's qualified higher education expenses.

A qualified tuition program must meet other specified requirements that pertain to things such as cash contributions, separate accounting, investment direction, and tax treatment (26 USC § 529(b)).

PA 14-18—sHB 5340

Judiciary Committee

AN ACT CONCERNING THE LIABILITY OF A LANDOWNER WHO PERMITS MAPLE-SUGARING ACTIVITIES ON THE LAND

SUMMARY: Under certain conditions, this act gives landowners immunity from civil liability for injuries sustained by people they invite or permit on their land, without charge, to engage in maple-sugaring activities.

The immunity applies only if the people are engaging in maple-sugaring on behalf of a nonprofit entity for its own use or for distribution to other nonprofit entities. The immunity applies to injuries arising from use of the land or engaging in such maple-sugaring activities. But it does not apply to injuries caused by the owner's failure to warn of a dangerous hidden hazard he or she knows about or an owner who:

1. (a) operates a maple-sugaring operation to which the public is invited and charged for products from the operation or (b) collects more than a nominal fee from others for maple-sugaring on his or her property,
2. sells more than 100 cords of firewood each year,
3. operates a "pick or cut your own agricultural operation," or
4. operates an agricultural operation to which the public is invited and charged for produce harvested and removed from the land.

The act defines "maple-sugaring" as the collection of sap from any species of the Acer tree for the purpose of boiling it to make food.

The immunity covers landowners as well as tenants, occupants, or others in control of the property.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Common Law Premises Liability

Under common law, landowners or others in possession of land owe people entering their land a duty of care, based on the person's status, and may be held liable for injuries caused by a breach of those duties. For example, a possessor of land owes a common law duty to invitees to inspect and maintain the premises to keep them reasonably safe. The legislature may modify this liability.

PA 14-27—sSB 153

Judiciary Committee

General Law Committee

AN ACT CONCERNING THE RECOMMENDATIONS OF THE CONNECTICUT SENTENCING COMMISSION WITH RESPECT TO CERTIFICATES OF REHABILITATION

SUMMARY: This act creates a new document called a certificate of rehabilitation and allows the (1) Board of Pardons and Paroles to issue it to eligible offenders and (2) Judicial Branch's Court Support Services Division (CSSD) to issue it to eligible offenders under its supervision. As is the case with the provisional pardon that the board issues under existing law, the certificate relieves an eligible offender of certain barriers to gaining employment or obtaining a credential, such as an occupational license, resulting from a criminal conviction. It must be labeled "certificate of employability," "certificate of suitability for licensure," or, if appropriate, both. The board and CSSD must generally follow the same procedures and use the same criteria to issue a certificate as the board does for a provisional pardon.

The act also:

1. provides that a provisional pardon or certificate shows presumed rehabilitation when the state or a state agency is considering a prior conviction to determine eligibility for employment or a credential;
2. as with people who hold provisional pardons, prohibits public and private employers from denying employment to a prospective employee or discharging or discriminating against an employee based solely on a conviction for which the person received a certificate;

3. limits the admissibility of an applicant's or employee's prior conviction in negligence actions against an employer under certain circumstances when the person has a provisional pardon or certificate;
4. allows (a) a provisional pardon or certificate applicant to obtain an investigative report prepared for the board about the applicant and (b) investigative reports related to certificates to be disclosed if required or permitted by statute or specifically authorized by the board, as is the case for provisional pardons under the law;
5. requires the (a) board and CSSD to report to the Office of Policy and Management (OPM) and the Sentencing Commission on certificate applications and petitions and (b) Sentencing Commission to post the data and evaluate the effectiveness of provisional pardons and certificates in promoting the public policy of rehabilitating ex-offenders consistent with the public interest in public safety, crime victim safety, and property protection; and
6. makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2014

BARRIERS AND FORFEITURES DUE TO CRIMINAL CONVICTIONS

A provisional pardon under the law, or a certificate of rehabilitation under the act, can relieve an eligible offender of barriers or forfeitures when applying for employment or a license. The documents can specify whether they apply to certain barriers or forfeitures or all of them.

By law, a "barrier" is a denial of employment or a license based on a criminal conviction without considering whether the nature of the offense bears a direct relationship to the employment or license. The act defines a "direct relationship" as one in which the criminal conduct has a direct bearing on the person's fitness or ability to perform a duty or responsibility necessarily related to the employment or license.

By law, a "forfeiture" is disqualification or ineligibility for employment or a license that is based on a conviction.

PROVISIONAL PARDONS OR CERTIFICATES ISSUED BY THE BOARD

The law allows the board to issue a provisional pardon, and the act allows it to issue a certificate, any time after sentencing. The act (1) specifies that this includes issuing one before the offender's release from Department of Correction custody, probation, or parole and (2) allows issuance of a certificate under the same

circumstances.

The act allows the board's pardons panels or parole release panels to issue provisional pardons and certificates. Previously, only pardons panels could issue provisional pardons.

The law requires the board to make certain findings before issuing a provisional pardon. As under prior law, the board must find that the (1) offender was convicted of a crime in this state or another jurisdiction and is a Connecticut resident, (2) relief may promote the public policy of rehabilitating offenders through employment, and (3) relief is consistent with public safety and protection of property. The act applies these same criteria to issuance of certificates. The act additionally requires the board to find that the relief granted by a provisional pardon or certificate is consistent with victim safety.

The act applies a number of other provisions governing provisional pardons to certificates. Under these provisions:

1. the board must notify, in writing, the clerk of the court where a person was convicted when a certificate is issued;
2. the board may limit the certificate's applicability to specific types of employment or licensure;
3. the certificate does not entitle a person to erasure of his or her record or relieve him or her of the obligation to disclose the conviction;
4. a certificate cannot apply to eligibility for public office;
5. the board can request its staff to investigate and report on an applicant;
6. the board must follow the same procedures when issuing a new certificate to enlarge relief granted as when issuing an initial certificate; and
7. the board must prescribe the forms for certificate applications, revocations, and investigative reports.

The act requires the board to revoke a provisional pardon or certificate of rehabilitation from anyone later convicted of a crime.

CSSD CERTIFICATES

The act allows CSSD to issue a certificate of rehabilitation to a state resident convicted of a crime in Connecticut or another jurisdiction who is under CSSD's supervision while on probation or other supervised release. It also allows CSSD to revoke or enlarge the relief granted by such a certificate.

The act requires CSSD to follow the rules that apply to certificates from the board, including requirements for issuing, modifying, and revoking them. CSSD must immediately notify the board in writing if it

issues, or revokes a certificate or enlarges the relief granted by one.

TEMPORARY PROVISIONAL PARDONS AND CERTIFICATES

The law allows the board to issue to a probationer or parolee a provisional pardon that is deemed temporary until the probation or parole period ends. The act makes (1) certificates temporary under the same conditions and (2) provisional pardons or certificates issued while an offender is incarcerated temporary. It also specifies that temporary provisional pardons or certificates become permanent when the offender completes his or her incarceration, probation, or parole.

The act allows CSSD to issue temporary certificates and, as with the board under existing law, allows revocation for probation or parole violations. The act specifies that revocation of a temporary certificate by either CSSD or the board reinstates the barriers or forfeitures listed in the certificate as of the date the certificate holder receives written notice of revocation. The person must surrender the certificate to the issuing authority upon receipt of written notice of revocation.

REPORTS AND EVALUATIONS

By October 1, 2015, the act requires the board and CSSD to begin submitting annual reports to OPM and the Sentencing Commission, in a form prescribed by OPM. The (1) board must submit data on the number of provisional pardon or certificate applications received, denied, and granted, as well as the number revoked and (2) CSSD must submit data on the administration of certificates, including the number issued or revoked. By January 1, 2016, the commission must post the data on its website and update it every year.

The act requires the Sentencing Commission, or its designee, to evaluate the effectiveness of provisional pardons and certificates in promoting the public policy of rehabilitating ex-offenders consistent with the public interest in public safety, crime victim safety, and protecting property. The evaluations must cover the three years beginning October 1, 2015. The commission must report to the Judiciary Committee by January 15 of 2016, 2017, and 2018 on (1) the provisional pardons' and certificates' effectiveness and (2) recommendations for statutory changes.

EMPLOYMENT

The law allows the state or a state agency to deny employment or a credential (such as a professional license or permit) to someone because of a prior criminal conviction if the state or a state agency finds the person unsuitable after considering (1) the nature of the crime and its relationship to the job, (2) information

pertaining to the person's rehabilitation, and (3) the time elapsed since the conviction or release.

The act requires the state or agency to consider any provisional pardon or certificate issued to the applicant when making this determination. Under the act, a provisional pardon or certificate creates a presumption of rehabilitation. The act requires the state or an agency that denies employment or a credential based on a conviction for which the person received a provisional pardon or certificate to give the applicant, in writing, the reasons for the denial.

The act extends to people with certificates certain protections the law already grants to people with provisional pardons. It bars public and private employers from (1) denying employment based solely on a conviction for which the prospective employee received a certificate or (2) discharging or discriminating against someone based solely on a conviction prior to being employed for which the employee received a certificate.

LIMITS ON USING EVIDENCE OF PRIOR CONVICTIONS IN NEGLIGENCE CLAIMS

The act creates a rebuttable presumption against admitting evidence of an applicant's or employee's prior conviction in certain lawsuits if (1) the person had a valid provisional pardon or certificate when the alleged negligence occurred and (2) a party establishes by a preponderance of the evidence that the employer knew of the provisional pardon or certificate at the time of the alleged conduct. This applies to any action alleging an employer's negligence in (1) hiring or retaining an applicant or employee or (2) supervising an agent, representative, or designee related to the hiring or retention of the applicant or employee.

PA 14-37—HB 5338

Judiciary Committee

AN ACT CONCERNING THE ADMISSIBILITY OF RECORDS AND REPORTS OF CERTAIN EXPERT WITNESSES AS BUSINESS ENTRIES

SUMMARY: This act extends the same rules in civil cases concerning the admissibility of records or reports of in-state physicians and various other professionals to those of such out-of-state professionals. It does so by eliminating the requirement that, for the rules to apply, these professionals be licensed or certified in Connecticut. The act also extends the same rules to social workers and "mental health professionals" (which the act does not define).

Under existing law, the rules apply to physicians, dentists, chiropractors, naturopaths, physical therapists,

podiatrists, psychologists, emergency medical technicians, optometrists, physician assistants, and advanced practice registered nurses. As noted below, certain provisions also apply to professional engineers and land surveyors.

Generally, the rules allow:

1. the provider's signed reports and bills for treatment to be introduced as business entry evidence in civil cases without calling the provider to testify;
2. the records and reports of such providers, professional engineers, and land surveyors to be admitted as business entry evidence in personal injury cases if the professional (a) died before trial or (b) is physically or mentally disabled and thus, no longer practicing; and
3. for purposes of the collateral source rule, the admission of evidence that (a) the provider accepted an amount less than his or her total bill or (b) an insurer paid less than the total bill.

The collateral source rule generally requires courts to reduce economic damage awards by the amount the claimant received from collateral sources (such as health insurance), less the amount paid to secure the collateral source benefit (such as the health insurance premium).

EFFECTIVE DATE: October 1, 2014, and applicable to all actions pending or filed on or after that date.

PA 14-61—sHB 5487

Judiciary Committee

AN ACT PROVIDING IMMUNITY TO A PERSON WHO ADMINISTERS AN OPIOID ANTAGONIST TO ANOTHER PERSON EXPERIENCING AN OPIOID-RELATED DRUG OVERDOSE

SUMMARY: This act authorizes anyone, if acting with reasonable care, to administer an opioid antagonist to a person he or she believes, in good faith, is experiencing an opioid-related drug overdose. The act gives civil and criminal immunity to such a person regarding the administration of the opioid antagonist, except for licensed health care professionals acting in the ordinary course of employment, who are already covered if authorized to prescribe the drug.

Existing law allows licensed health care practitioners authorized to prescribe an opioid antagonist, if acting with reasonable care, to prescribe, dispense, or administer it to treat or prevent a drug overdose without being civilly or criminally liable for the action or for its subsequent use. Thus, these practitioners can prescribe opioid antagonists to people who are not their patients to assist another person experiencing a drug overdose.

By law, an “opioid antagonist” is naloxone hydrochloride (e.g., Narcan) or any other similarly acting and equally safe drug that the Food and Drug Administration has approved for treating a drug overdose.

EFFECTIVE DATE: October 1, 2014

PA 14-67—HB 5219

Judiciary Committee

AN ACT CONCERNING MAINTENANCE OF PRIVATE EASEMENTS AND RIGHTS-OF-WAY

SUMMARY: This act makes the owner of a one- to four-family house located in Connecticut, who uses a private easement or right-of-way to access his or her property (i.e., the “benefited property”), responsible for the cost of maintaining (including snow removal), repairing, or restoring any damage to the easement or right-of-way.

Under the act, benefited property does not include property owned by the state or its political subdivisions, but includes the property burdened by the easement or right-of-way if its owner uses it.

Under the act, in the case of more than one benefited property, the owners must share the cost according to (1) any enforceable written agreement, or (2) the proportion of benefit received by each property if there is no agreement. (The act does not specify how to determine the proportion of benefit.)

The act makes a benefited property owner who damages, directly or indirectly, any portion of the easement or right-of-way solely responsible for repairing or restoring the portion he or she damaged.

The act also gives benefited property owners, either jointly or individually, the right to sue in Superior Court, for specific performance or contribution, an owner who (1) refuses to repair or restore damage for which he or she is solely responsible or (2) after a demand in writing, fails to pay his or her share of the maintenance, repair, or restoration cost of the easement or right-of-way.

Lastly, the act specifies that, in a conflict with the act's provisions, the terms of an enforceable written agreement govern.

EFFECTIVE DATE: October 1, 2014

PA 14-71—HB 5061

Judiciary Committee

Insurance and Real Estate Committee

**AN ACT CONCERNING UNINSURED
MOTORIST COVERAGE FOR BODILY INJURY
TO A NAMED INSURED OR RELATIVE
DURING THE THEFT OF A MOTOR VEHICLE**

SUMMARY: This act limits an insurer's discretion to deny uninsured motorist coverage. By law, insurers must include uninsured and underinsured coverage in automobile liability policies, but may deny such coverage when:

1. a named insured or his or her related household member occupies, or is hit as a pedestrian by, an uninsured or underinsured motor vehicle or motorcycle the insured owns or
2. any insured, not only a named insured, occupies his or her uninsured or underinsured motor vehicle or motorcycle.

The act prohibits insurers from denying uninsured motorist coverage solely on the basis that a named insured or his or her related household member was hit as a pedestrian by the insured's motor vehicle or motorcycle while it was being stolen, if it is listed on the policy as a covered motor vehicle or motorcycle. This prohibition applies to automobile liability insurance policies issued or renewed on or after October 1, 2014. **EFFECTIVE DATE:** October 1, 2014, and applicable to claims arising on or after that date.

BACKGROUND

Uninsured and Underinsured Motorist Coverage

Uninsured motorist coverage compensates a policyholder for expenses incurred when another driver who is at fault for an accident has no auto liability insurance or is a hit-and-run driver. Underinsured motorist coverage compensates a policyholder when the at-fault driver has an insufficient amount of auto liability insurance.

Related Act

PA 14-20 prohibits insurers from reducing uninsured and underinsured motor vehicle insurance coverage payments by amounts paid by or on behalf of a tortfeasor (the person at fault) for (1) bodily injury to anyone other than the people insured by the policy under which the claim is made or (2) property damage. The act applies to policies issued or renewed on or after October 1, 2015.

PA 14-86—sHB 5554

Judiciary Committee

**AN ACT CONCERNING THE DUTIES OF STATE
MARSHALS**

SUMMARY: This act expands the crime of criminal impersonation to include pretending to be a state marshal to (1) obtain a benefit or (2) induce someone to submit to the pretended authority or act in reliance on the pretense. By law, criminal impersonation is a class A misdemeanor (see Table of Penalties).

The act also makes it a class A misdemeanor for an "indifferent person" (someone other than a state marshal, constable, or other proper officer) to serve process knowing that he or she is not authorized to do so.

By law, a proper officer and, under limited circumstances, an indifferent person may serve process in a civil action. An indifferent person may do so (1) if multiple defendants living in different counties in the state are named in the process or (2) in the case of a writ of attachment (an order to seize or attach property), a plaintiff, or his or her agent or attorney, makes an oath before the authority signing the order that he or she is in danger of losing the debt or demand unless an indifferent person is authorized to serve process immediately.

EFFECTIVE DATE: October 1, 2014

PA 14-87—HB 5556

Judiciary Committee

**AN ACT CONCERNING FEES RECEIVED BY
OFFICERS AND PERSONS SERVING PROCESS
AND PERFORMING OTHER DUTIES**

SUMMARY: This act increases, from \$75 to \$100, the maximum hourly rate state marshals receive for removing a tenant or an occupant and his or her possessions in a residential eviction.

The act also increases, by \$10, each of the service of process fees state marshals and others authorized to serve process receive when service is on behalf of someone who is not a state or municipal official acting in his or her official capacity. Under prior law, such person received the following fees regardless of who requested the service:

1. a maximum of \$30 for each process served;
2. \$30 for each subsequent service of process, but \$10 if at the same address; and
3. \$10 for serving a notice to the attorney general in dissolution and postjudgment proceedings involving a party or child receiving public assistance.

The act retains these fees when service is on behalf of an official of (1) the state; (2) a state agency, board, or commission; or (3) a municipality, acting in his or her official capacity. (Different fees apply to service for the Judicial Branch or Division of Criminal Justice, see CGS § 52-261a.) By law, the court must waive and the state must pay the fees for service of process on behalf of an indigent party unable to pay (CGS § 52-259b).
EFFECTIVE DATE: October 1, 2014

PA 14-103—sSB 154
Judiciary Committee

AN ACT CONCERNING PROBATE COURT OPERATIONS

SUMMARY: This act makes various revisions in probate statutes.

It allows the probate court administrator to establish a second pilot truancy clinic in New Haven, in addition to the one in Waterbury (§ 9). It allows probate courts, when appointing a conservator, to designate a successor. It also allows people to designate their own successor conservators (§§ 10-13).

Among other changes affecting civil commitment, it shifts jurisdiction of civil commitment review hearings from the probate court that ordered the commitment to the court for the district where the hospital is located (§ 1). For court actions involving someone committed to a psychiatric hospital, it eliminates the requirement that process or other documents be served on the administrative services (DAS) commissioner (§ 4). It specifies that the rules of evidence for Superior Court civil matters apply in probate court hearings on involuntary civil commitments and requests for release from psychiatric hospitals (§§ 1 & 3). (The law already allowed objections to the admissibility of evidence in accordance with such rules.)

Among other things, the act also:

1. specifies that all rules of civil evidence that apply to Superior Court civil cases, not just judge-adopted rules, apply to conservatorship hearings (§§ 5 & 6);
2. transfers responsibility for administering the Kinship Fund and Grandparents and Relatives Respite Fund from the Department of Social Services (DSS) to the probate court administrator (§§ 7 & 8);
3. requires the probate court, before approving a transfer of jurisdiction over a conserved person who has moved, to determine that the person prefers the transfer (§ 14);
4. eliminates a Probate Court Budget Committee annual reporting requirement (§ 15); and

5. repeals a largely redundant statute on payment of probate court fees by credit card (§ 16).

The act also makes several minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2014, except as noted below.

CIVIL COMMITMENT

§ 1 — Certain Involuntary Commitment Documents

The act requires the probate court administrator, rather than the Department of Mental Health and Addiction Services (DMHAS), to provide the form to be completed by the court-selected examining physicians for initial commitment hearings and reviews of committed patients.

§ 1 — Jurisdiction over Commitment Review Hearings

Under prior law, if someone committed to a hospital for psychiatric disabilities requested a hearing, the court that ordered the commitment held the hearing. The act instead requires the court for the district where the hospital is located to hold the hearing.

The act makes a corresponding change regarding the requirement that hospitals provide probate courts with a monthly list of patients involuntarily committed to the hospital for one year since the previous annual review or the original commitment. It requires that this list go to the probate court where the hospital is located.

§ 2 — Court Records

The act eliminates the requirement that courts, after ordering someone committed to a hospital for psychiatric disabilities, provide the DMHAS commissioner with copies of the commitment orders. It still requires such courts to provide the commissioner with access to identifying information on the committed individuals within three business days of the order.

The act requires the probate court administrator, rather than the attorney general, to prescribe forms for courts when committing someone to a psychiatric hospital, including forms for commitment applications, orders, and other papers. The act eliminates the requirement for DMHAS to have blanks of these forms printed and furnished at the state's expense.

§ 4 — Service Requirements

The act makes changes regarding service of process, notices, and other documents on someone committed to a psychiatric facility. Prior law set certain requirements for documents that had to be served on such a person either in person, at home, or by mail. The act instead (1) provides that the required mailing and

proof of delivery satisfy any legal requirements where personal service is not required and (2) deems this equivalent to service under these laws.

It eliminates a requirement that the notice be served on the DAS commissioner. It requires that only one copy, rather than two copies, be sent to the facility's superintendent or his or her representative, who still must deliver a copy to the confined person.

These provisions apply to (1) people committed by court order, by emergency certificate, or voluntarily and (2) any court action or proceeding in which the person is a party or that may affect the person's property rights.

By law, failure to send or serve documents does not abate the action or proceeding, although the court may order compliance.

§§ 7 & 8 — KINSHIP FUND AND GRANDPARENTS AND RELATIVES RESPITE FUND

The act transfers responsibility for administering the Kinship Fund and Grandparents and Relatives Respite Fund to the probate court administrator. Under prior law, DSS administered the funds through the probate court.

By law, a relative who is appointed guardian of a child, and who does not receive foster care payments or subsidized guardianship benefits from the Department of Children and Families, may apply for grants from these funds. The act specifies that the funds are available to people appointed guardians by the probate court, not just by the Superior Court as under prior law. EFFECTIVE DATE: July 1, 2014

§ 9 — NEW HAVEN TRUANCY CLINIC

The act allows the probate court administrator, within available appropriations, to establish a pilot truancy clinic in the New Haven regional children's probate court. He already has authority to establish such a clinic in the Waterbury regional children's probate court.

The act applies the same conditions to the New Haven truancy clinic as apply to the Waterbury clinic. For example:

1. the regional children's probate court administrative judge administers the clinic (the act specifies that for either clinic, the judge can delegate the clinic's administration);
2. an elementary or middle school principal or his or her designee can refer the parent or guardian of a truant child, or one at risk of becoming a truant, to the clinic;
3. a parent's or guardian's participation is voluntary after his or her appearance as required by the court's citation and summons;

4. the administrative judge may refer any truancy clinic matter to a probate magistrate or attorney probate referee;
5. the clinic must establish participation protocols and programs and relationships with schools and other individuals and organizations to provide support services to clinic participants; and
6. the administrative judge must submit annual reports to the probate court administrator, due each September 1, on the clinic's effectiveness.

Under prior law, the probate court administrator had to report on the Waterbury clinic's effectiveness to the Judiciary and Education committees by January 1, 2015. The act requires the report to cover both clinics, and extends its due date to January 1, 2016.

EFFECTIVE DATE: Upon passage

§§ 10-13 — SUCCESSOR CONSERVATORS

§ 10 — Probate Court Appointment

The act allows probate courts, when appointing a conservator of the person or a conservator of the estate, to also appoint a successor conservator.

Under the act, the successor must act as conservator if the (1) court accepts the conservator's resignation or removes the conservator or (2) conservator dies or is adjudicated incapable. The successor may assume conservator duties immediately upon the occurrence of any of these events, with one exception. If a conservator of the estate had to furnish a probate bond or provide proof of a restricted account, the successor must do so as well before assuming conservator duties.

The act requires a successor conservator, immediately after assuming the conservator role, to inform the probate court with jurisdiction that he or she has assumed that role and the reason why. It allows the probate court to issue a decree, without notice and hearing, confirming the successor conservator's appointment after these requirements are met.

EFFECTIVE DATE: July 1, 2014

§§ 11 & 12 — Designation by the Person in Event of Future Incapacity

The act allows an adult, when designating someone to serve as conservator for himself or herself in the event of future incapacity, to designate a successor conservator.

§ 13 — Designation by Conserved Person

By law, a conserved person or someone subject to a conservatorship hearing may choose someone to serve as his or her conservator. The act also allows such a person to choose someone to serve as successor

conservator. As under existing law, the court must accept the appointment unless the nominee is unwilling or unable to serve or there is substantial evidence to disqualify the person.

By law, if the person does not nominate someone to serve as conservator or if the court does not appoint that nominee, the court must consider certain factors when deciding whom to appoint as conservator. The act requires the court to consider the same factors when choosing a successor conservator.

§ 14 — TRANSFER OF JURISDICTION OVER CONSERVATORSHIP

By law, if a person under conservatorship moves to a probate district other than the one where the conservator was appointed, various individuals can file a motion to transfer jurisdiction of the conservatorship to the district where the person now resides. The act allows the court to approve the transfer only if it determines that the person under conservatorship prefers the transfer.

The people who can make such a motion include the conserved person, a spouse or another relative, the conservator, or the new town's first selectman or municipal chief executive officer.

§ 15 — ELIMINATION OF PROBATE COURT BUDGET COMMITTEE REPORTING REQUIREMENT

The act eliminates the requirement that the Probate Court Budget Committee annually report to the governor and General Assembly on the committee's efforts to reduce costs and any potential cost-saving measures resulting from probate court mergers that took effect on or after June 9, 2009.

EFFECTIVE DATE: July 1, 2014

§ 16 — PAYMENT OF COSTS BY CREDIT CARD

PA 13-247, § 65, allows probate courts to accept payment of fees by credit, charge, or debit card, and to charge related service fees (which cannot exceed the card issuer's charge, including the discount rate).

This act repeals another statute (CGS § 45a-113) which also allowed probate court costs to be paid by credit card. Unlike the provision in PA 13-247, this statute specified that (1) the probate court administrator determined the service fees and (2) credit card payments had to be made at the time and under conditions as the administrator prescribed.

EFFECTIVE DATE: Upon passage

PA 14-104—sSB 155

Judiciary Committee

AN ACT CONCERNING PROBATE COURTS

SUMMARY: This act makes numerous unrelated changes in the laws that govern (1) adult adoption, (2) paternity of children born out of wedlock, and (3) disclosure of juvenile court records. It also establishes a framework that allows a party in certain probate court cases to petition the court to make specified findings that a person may use to apply for federal Special Juvenile Immigration Status (SJIS) (see BACKGROUND). SIJS allows abused, neglected, or abandoned immigrant children to stay in the United States legally.

Among the changes to adult adoption laws, the act:

1. broadens an exception to the automatic termination of parental rights in adult adoptions,
2. establishes new hearing notice requirements and factors the court must consider before approving such an adoption, and
3. specifies that an adopted person (adult or minor child) can inherit from or through a parent who died before the adoption occurred.

The act standardizes how paternity of a child born out of wedlock is established when a person dies intestate (i.e., without a will). In determining the inheritance rights of such a child, or his or her father, the act requires the child's paternity to be established by (1) court adjudication or (2) written acknowledgment signed by both the mother and father. It also specifies the timeframe within which a paternity claim may be filed.

The act also expands the circumstances in which probate court judges and employees can access confidential records of juvenile matters from the Superior Court.

Lastly, the act makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2014

§§ 1 & 2 — ADULT ADOPTIONS

Legal Relationships

By law, a person over age 18 may be adopted by an older nonrelative under a written agreement approved by the probate court. In general, a court's final adoption decree terminates the legal relationship between the adoptee and his or her biological parents and their relatives regarding (1) the applicability of certain statutes, (2) inheritance rights, and (3) the construction of documents and instruments executed before or after the decree was issued. Under prior law, however, the

adoptee's legal relationship with the surviving parent did not terminate when an adult's parent died and the adult was subsequently adopted by the surviving parent's spouse, with the surviving parent's written consent.

The act broadens this exception to include adult adoptions under a wider range of circumstances, regardless of whether the adoptee's biological parents are living or the adoptive parent is a biological parent's spouse. It does so by (1) allowing one of the adult adoptee's parents to join in the adoption agreement and preserving that parent's legal relationship with the adoptee and (2) terminating the legal relationship between the adult adoptee and the parent who did not join the agreement. Under the act, the adoption does not affect the adoptee's rights to inherit from or through a parent who died before the adoption.

Notice and Approval

Prior law allowed the court to provide public notice of the time and place of the hearing on the adult adoption agreement. The act instead requires the court to notify (1) each party to the adoption agreement and (2) the spouse of the proposed adoptive parent, if he or she is not a party to the agreement. It allows the court to also notify other people interested in the proposed adoptive parent's or adoptee's welfare.

The act requires the court to approve the adoption agreement if it finds that the (1) proposed adoptive parent and adoptee share a relationship like that between a parent and his or her adult child and (2) adoption is in their best interests. Under prior law, the court could approve the agreement if it found that approval was in the public interest and for the adopted person's welfare.

§ 1 — ADOPTED MINOR CHILD'S INHERITANCE RIGHTS

Under the act, adoption does not affect an adopted minor's rights to inherit from or through a parent who died before the adoption occurred. Under prior law, an adopted minor retained those inheritance rights only in cases where the spouse of the surviving biological parent adopted the minor.

§§ 3-6 — ESTABLISHING PATERNITY AND INHERITANCE RIGHTS OF A CHILD BORN OUT OF WEDLOCK

When a person dies without a will, the intestate succession laws determine to whom and how the person's property is distributed. The act standardizes the method for establishing paternity of a child born out of wedlock for these purposes and aligns it with the procedure for establishing paternity for other legal purposes. Under this procedure, as prescribed by the act,

the paternity of a child born out of wedlock is established either (1) through a court proceeding after the mother files a petition and serves process on the putative father or (2) by the father's written acknowledgment. The written acknowledgement must be accompanied by (1) an attested waiver of a right to a (a) blood test, (b) trial, and (c) an attorney and (2) written affirmation of paternity executed and sworn by the child's mother.

The act requires the use of this method of establishing paternity when determining the distribution of property to a:

1. child born out of wedlock, when his or her father dies intestate (§ 4);
2. surviving spouse, when the other spouse dies intestate or the will does not fully dispose of all property (§ 3);
3. father and his relatives, when his child born out of wedlock dies intestate (§ 5); and
4. father and his relatives, when his child born out of wedlock dies intestate with no surviving children or legal representative (§ 6).

Under prior law, an intestate father of a child born out of wedlock was considered the child's parent if:

1. he and the mother married each other after the child's birth;
2. he was adjudicated the child's father by a court of competent jurisdiction;
3. he acknowledged under oath in writing that he was the child's father; or
4. after his or the child's death, the probate court established paternity by clear and convincing evidence that the father had acknowledged in writing that he was the child's father and had openly treated the child as his.

For a father or his relatives to qualify for inheritance from or through an intestate child born out of wedlock, prior law required the father's paternity to be established by (1) a court of competent jurisdiction before the father's death or (2) the probate court after the father's death, if it has been demonstrated by clear and convincing evidence that the father acknowledged his paternity in writing and openly treated the child as his.

§ 7 — PATERNITY CLAIMS INVOLVING CHILDREN BORN OUT OF WEDLOCK

By law, if a person claiming to be the father of a child born out of wedlock receives notice from the Superior Court of a petition filed to terminate his parental rights, he has 60 days to file a paternity claim with the probate court in the district where either the mother or the child resides. The act specifies that the paternity claim may be filed at any time during the child's life, regardless of his or her age, and also after

the child's death, but no later than 60 days after the notice date.

The act also eliminates a requirement that the probate court administrator appoint a three-judge court to hear the paternity claim.

§§ 8 & 9 — PROBATE COURT PROCEEDINGS ON SIJS

The act allows probate courts, in certain family matters, to make findings that someone may use to apply to the U.S. Citizenship and Immigration Services (USCIS) for SIJS. Federal law allows a person with SIJS to stay in the United States legally. Under federal law, one of the criteria for getting SIJS is for a child to be determined a dependent of a juvenile court (8 USC § 1101(a)(27)(J)).

SIJS Petitions

The act allows a party, at any time during a case for parental removal, guardian appointment, termination of parental rights, or adoption approval, to petition the court to make the specific findings used for SIJS purposes. A hearing on the petition may be held at the same time as the underlying case.

The act requires the probate court to send notice of the SIJS petition hearing, by first class mail, to the commissioner of children and families. In parental removal or guardian appointment cases, notice must also be sent by first class mail to (1) both parents and (2) the child, if he or she is age 12 or older. In termination of parental rights or adoption approval cases, notice must also be sent by first class mail to the:

1. parents, including anyone who was removed as guardian;
2. father of any child born out of wedlock who, at the time of the petition, (a) was adjudicated the father by a court, (b) acknowledged paternity in writing, (c) provided regular support to the child, (d) was named on the birth certificate, (e) filed a paternity claim, or (f) was named by the mother in a petition to establish paternity;
3. guardian or others the court deems appropriate; and
4. attorney general.

If the court previously granted the request to remove a parent as guardian, appoint a guardian, terminate parental rights, or approve adoption, the act allows the statutory or adoptive parent, guardian, or attorney for the child to petition the court to make findings for SIJS purposes. It also requires the court to notify, by first class mail, the statutory or adoptive parent, guardian, attorney for the child, and the child (if age 12 or older) of the SIJS petition hearing.

Written Findings for SIJS Purposes

Under the act, if the court grants (or has already granted) the underlying request to remove a parent, appoint a guardian, terminate parental rights, or approve adoption, the court must make written findings for SIJS purposes on:

1. the child's age and marital status,
2. whether the child is dependent on the court,
3. whether it is not in the child's best interests to be returned to the child's or parent's country of nationality or last customary residence, and
4. whether reunification of the child with one or both of the child's parents is not viable because the child was abandoned or denied the care necessary for his or her well-being.

Under the act, a child under age 18 must be considered dependent on the court if the court has:

1. removed his or her parent or another person as guardian,
2. appointed a guardian or co-guardian for him or her,
3. terminated the parental rights of his or her parent, or
4. approved his or her adoption.

In parental removal or guardian appointment cases, reunification is not viable under the act if the child was:

1. neglected,
2. uncared for, or
3. intentionally physically injured by a person responsible for his or her well-being or a person given access to the child by the responsible person.

Under the act, reunification is not viable in termination of parental rights or adoption approval cases, if:

1. an ongoing parent-child relationship does not exist and allowing time to establish or reestablish such a relationship is not in the child's best interests,
2. a parent remains unable to assume a responsible position in the child's life,
3. the parent's parental rights related to another child were terminated, or
4. the parent committed certain crimes.

§ 10 — DISCLOSURE OF JUVENILE RECORDS

The act expands the circumstances in which probate court judges and employees may obtain access to records of juvenile matters. PA 14-173, § 2, contains identical provisions.

Previously, for nondelinquency juvenile matters, a probate court could access records related to (1) a contested case about a minor's guardianship or termination of parental rights that it transferred to

Superior Court or (2) an appeal from the probate court to the Superior Court. The act instead allows probate court judges and employees to access any nondelinquency records when required to perform their duties. Nondelinquency matters include cases involving:

1. uncared for, neglected, or abandoned children and youth and related adoptions;
2. termination of parental rights of parents of children committed to state agencies;
3. families with service needs;
4. contested matters of termination of parental rights or removal of guardians transferred from probate courts;
5. emancipation of minors; and
6. appeals from probate courts on adoption, termination of parental rights, or removal of a parent or guardian.

The act also gives probate court judges and employees access to juvenile delinquency records when required to perform their duties. Under existing law, access to juvenile delinquency records is permitted, under certain conditions, to various entities, including attorneys representing a child or youth, a child's or youth's parent or guardian until the child reaches the age of majority or emancipation, certain government officials and agencies, certain courts, and the subject of the record.

The act specifies that its provisions governing disclosure and confidentiality of juvenile records do not prohibit a party from making a timely:

1. objection to the admissibility of one of these records, or any part of one, in a superior or probate court proceeding or
2. motion to seal one of these records under superior or probate court rules.

BACKGROUND

SIJS

By law, the Department of Homeland Security USCIS may grant SIJS to an immigrant in the United States if:

1. he or she has been declared dependent on a juvenile court or a juvenile court has legally committed him or her to, or placed him or her under the custody of, a state agency or department, or a person or entity appointed by a state or juvenile court located in the United States;
2. his or her reunification with one or both parents is not viable due to abuse, neglect, abandonment, or a similar basis under state law; and

3. it was determined in an administrative or judicial proceeding that it would not be in the child's best interest to be returned to his or her parent's previous country of nationality or last habitual residence (8 USC § 1101(a)(27)(J)).

PA 14-110—sSB 262

Judiciary Committee

AN ACT CONCERNING APPLICATIONS FOR THE PRETRIAL ALCOHOL EDUCATION PROGRAM

SUMMARY: This act requires the court, before allowing a defendant to participate in the pretrial alcohol education program, to hear from a victim who suffered serious physical injury as a result of the defendant's conduct. It requires the defendant applying for participation to (1) notify the victim of this opportunity by registered or certified mail on a form approved by court rules and (2) state that he or she has done so under oath and under penalty of perjury.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Pretrial Alcohol Education Program

By law, a defendant is generally eligible for this program if he or she is charged with driving under the influence, 2nd degree manslaughter with a vessel, violating rules for safe boating, or 1st or 2nd degree reckless vessel operation while under the influence. But a defendant cannot participate if he or she (1) does not meet certain criteria regarding prior program use and prior convictions or (2) has charges related to a commercial driver's license or instruction permit.

The court must seal the case file when a defendant applies for the program. The court may allow someone who meets the eligibility criteria to participate but must (1) consider the prosecutor's recommendation and (2) find good cause for participation if a defendant is charged with driving under the influence and caused another person serious physical injury. If accepted, the defendant is placed in an appropriate alcohol intervention or state-licensed substance abuse treatment program after an evaluation. If the defendant satisfactorily completes the program, the court dismisses the charges.

PA 14-120—sSB 456*Judiciary Committee***AN ACT CONCERNING ADOPTION OF THE CONNECTICUT CODE OF EVIDENCE BY THE SUPREME COURT**

SUMMARY: This act authorizes the Connecticut Supreme Court to adopt a Connecticut Code of Evidence. If the court does so, it requires the chief justice to appoint a standing advisory committee to study the code's provisions and the development of evidence law and recommend proposed amendments to the Supreme Court.

The act requires the advisory committee to consist of judges and Connecticut-licensed attorneys who practice in different areas of the law, with the chairperson appointed by the chief justice. The committee may hold public hearings and the chairperson must annually report to the Judiciary Committee on the committee's activities and any proposed changes to the code. The first report is due by January 1, 2015.

The act does not limit the Supreme Court's common law authority or the General Assembly's legislative authority over evidence law.

EFFECTIVE DATE: Upon passage

BACKGROUND*Evidence Rules*

In 1999, the Superior Court judges adopted a Code of Evidence that compiled and restated court rules, court decisions, and legislation governing evidence in courts. The judges established an oversight committee to monitor the code and recommend changes.

In *State v. DeJesus*, the Connecticut Supreme Court ruled that the code's adoption did not eliminate the Supreme Court's common law authority to develop and change evidence rules on a case-by-case basis. The court stated that it retains the power to change rules of evidence after the code's adoption (288 Conn. 418 (2008)).

PA 14-121—sSB 463*Judiciary Committee***AN ACT CONCERNING THE APPOINTMENT OF A CONSERVATOR FOR A PERSON WITH INTELLECTUAL DISABILITY**

SUMMARY: This act allows psychological evidence from a psychologist to be introduced in place of medical evidence from a physician at a probate court hearing or

review on involuntary conservatorship for a person with intellectual disability.

The act also makes conforming changes.

EFFECTIVE DATE: October 1, 2014

PSYCHOLOGISTS' EVIDENCE AT CONSERVATORSHIP HEARINGS AND REVIEWS*Hearing on Application for Conservatorship*

By law, the probate court may appoint a (1) conservator of the estate for someone who cannot manage his or her affairs and (2) conservator of the person for someone incapable of caring for himself or herself.

For hearings on applications for involuntary conservatorship, prior law generally required evidence to be introduced from at least one state-licensed physician. Instead of this medical evidence, the act allows the introduction of psychological evidence from a state-licensed psychologist if the respondent (the subject of the hearing) is a person with intellectual disability.

Under the act, as under existing law regarding medical evidence from a physician, the:

1. psychologist must have examined the person within 45 days before the hearing;
2. evidence must contain specific information about the respondent's condition and its effect on the respondent's ability to care for himself or herself or manage his or her affairs;
3. psychological record must be confidential;
4. court must order the submitted psychological information to be disclosed to the respondent's attorney, and the respondent if he or she requests it; and
5. court may order the information disclosed to anyone else it deems necessary.

Existing law, unchanged by the act, allows the court to consider other relevant available evidence, including reports from psychologists.

By law, the court may waive the requirement for medical evidence if it is shown that the (1) evidence is impossible to obtain because of the respondent's absence or refusal to be examined or (2) alleged incapacity is not medical in nature.

Review of Conservatorship

By law, after a person is subject to involuntary conservatorship, the court must review the conservatorship after one year and at least every three years after that. As part of this process, prior law required a written report by a state-licensed physician who examined the respondent within the prior 45 days. The act allows a state-licensed psychologist to provide the report if the conserved person has intellectual

disability.

Under existing law and the act, similar provisions apply as noted above regarding confidentiality and disclosure of the report, except the report must be provided to the conserved person.

By law, a conserved person may petition the court at any time to seek to terminate the conservatorship. The conserved person is not required to present medical evidence at such a hearing.

PA 14-122—SB 493

Judiciary Committee

**AN ACT CONCERNING THE REVISOR'S
TECHNICAL CORRECTIONS TO THE
GENERAL STATUTES**

SUMMARY: This act makes technical changes and corrects improper references.

EFFECTIVE DATE: October 1, 2014, except a technical change is effective January 1, 2015 to conform to a future change to the statute (§ 5), and three technical changes are effective upon passage (§§ 6, 14, & 21).

PA 14-125—sHB 5220 (VETOED)

Judiciary Committee

Insurance and Real Estate Committee

**AN ACT CONCERNING A PROPERTY
OWNER'S LIABILITY FOR THE EXPENSES OF
REMOVING A FALLEN TREE OR LIMB**

SUMMARY: This act makes the owner of private real property from which a tree or branch falls onto adjoining private property (tree owner) liable for the expense of removing the tree or branch if (1) the adjoining property owner had previously notified the tree owner, in writing, that the tree or branch was diseased or likely to fall and (2) the tree owner failed to remove or prune the tree or branch within 30 days after receiving this notice.

Under the act, the adjoining property owner must (1) send the written notice to the tree owner by certified mail and (2) ask the tree owner to prune or remove the tree or branch. Any notice given a tree owner before October 1, 2014 that meets the act's requirements is valid for its purposes.

The act does not limit anyone's right to pursue other civil remedies as allowed by law. It also does not affect any rights a policyholder may have under a liability insurance policy, except an insurer may deduct from any amount it owes the insured the amount the policyholder recovered from the tree owner, to the

extent the policy would have covered the loss.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Related Act

PA 14-151 makes several changes to the process utilities must follow before conducting vegetation management (pruning or removing any trees or shrubs around their poles and wires), such as (1) requiring a utility to obtain written affirmative consent from a private property owner before conducting vegetation management on the owner's property and (2) expanding the information a utility must include in its notice to a property owner about proposed vegetation management.

PA 14-146—HB 5339

Judiciary Committee

**AN ACT CONCERNING THE
ADMINISTRATION OF OATHS AND THE
VALIDATION OF CERTAIN MARRIAGES**

SUMMARY: This act extends to all municipal chief elected officials the authority to administer oaths in matters before them. The law already granted this authority to first selectmen in matters before the board of selectmen. The act specifies that oaths administered by chief elected officials between November 1, 2011 and June 6, 2014 must not be considered invalid solely because the official lacked statutory authority to administer the oath.

The act also validates marriages performed between June 7, 2006 and June 6, 2014 that would have been valid except that:

1. the marriage license was issued in a town other than the town where (a) the ceremony was held or (b) either party resided when they applied for the marriage license or
2. the justice of the peace who performed the ceremony did not have a valid qualification certificate but represented himself or herself as qualified and the marrying couple reasonably relied on that representation.

EFFECTIVE DATE: Upon passage

PA 14-147—sHB 5341*Judiciary Committee***AN ACT CONCERNING THE DESIGNATION OF A PERSON CONVICTED OF CRIMINAL VIOLATION OF A STANDING CRIMINAL PROTECTIVE ORDER AS A PERSISTENT OFFENDER**

SUMMARY: This act subjects a standing criminal protective order violator to an enhanced penalty for persistent offenders if, in addition to violating the order, he or she has a prior conviction for certain crimes. It also adds criminal violation of a standing criminal protective order to the list of prior convictions that can subject someone to the enhanced persistent offender penalty.

As of October 1, 2010, the law renamed standing criminal restraining orders as standing criminal protective orders. The act ensures that anywhere the term standing criminal protective order is used in the statutes, it includes standing criminal restraining orders issued before October 1, 2010.

EFFECTIVE DATE: October 1, 2014, and the persistent offender provisions apply to convictions entered on and after that date.

PERSISTENT OFFENDERS OF CERTAIN CRIMES

By law, to be considered a persistent offender a person must (1) stand convicted of certain crimes and (2) have a prior conviction of certain crimes. The act adds criminal violation of a standing criminal protective order to the list of crimes for which a person can stand convicted to qualify as a persistent offender. As under prior law, someone can be a persistent offender if he or she stands convicted of one of the following crimes:

1. 3rd degree assault;
2. 2nd degree stalking, threatening, or harassment;
3. 1st or 2nd degree criminal trespass; or
4. criminal violation of other types of victim protection orders (a protective or restraining order).

To be sentenced as a persistent offender, the person must have a prior conviction of certain crimes. The act adds a prior conviction of criminal violation of a standing criminal protective order to this list. As under prior law, a person can be a persistent offender if he or she has a prior conviction of:

1. a capital felony committed before April 25, 2012 or class A felony;
2. a class B felony, except promoting 1st degree prostitution and 1st degree larceny;
3. a class C felony, except promoting 2nd degree prostitution and bribing jurors;

4. 2nd or 3rd degree assault, 3rd degree burglary or robbery, 3rd degree sexual assault, 2nd degree stalking or harassment, 2nd degree threatening, 1st degree unlawful restraint, reckless burning, 1st or 2nd degree criminal trespass, or criminal use of a firearm or electronic defense weapon;
5. criminal violation of other types of victim protection orders (a protective or restraining order); or
6. a similar crime in another state.

By law, the enhanced penalty for this type of persistent offender is the sentence for the next more serious degree of the crime.

By subjecting a standing criminal protective order violator to the enhanced penalty if he or she has one of the required prior convictions, the act increases the penalty for such a violator from a:

1. class D to a class C felony or
2. as of January 1, 2015, class C to a class B felony, if violating the order involved restraining the person or threatening, harassing, assaulting, molesting, sexually assaulting, or attacking the person (see PA 14-217 § 123)(see Table on Penalties).

BACKGROUND*Standing Criminal Protective Orders*

The law allows the court to issue one of these orders when:

1. someone is convicted of a family violence crime or certain other crimes against a family or household member and
2. the history, character, nature, and circumstances of the offender's conduct indicate that the order best serves the victim's and public's interests.

For most family violence crimes, the court must find good cause to issue the order.

The court sets the order's duration and terms and can modify or revoke it for good cause.

PA 14-154—sHB 5489*Judiciary Committee**Finance, Revenue and Bonding Committee***AN ACT CONCERNING THE INTEGRITY OF THE BUSINESS REGISTRY**

SUMMARY: This act:

1. subjects various business entities that fail to file annual reports to the secretary of the state's administrative procedures to dissolve or terminate the entity or revoke its authority to

- do business in Connecticut;
- 2. makes changes regarding the notice of final action the secretary sends about dissolution, termination, or revocation of authority and authorizes a limited liability partnership (LLP) to seek reinstatement;
- 3. makes changes to the secretary’s procedures to revoke the certificate of authority to conduct business in Connecticut for foreign stock and nonstock corporations;
- 4. eliminates a number of fees for business entities filing documents with the secretary to terminate their existence or cease doing business in Connecticut; and
- 5. requires various business entities to include their email addresses on certain documents filed with the secretary.

The act also makes minor, technical, and conforming changes.

EFFECTIVE DATE: January 1, 2015, except the fee provisions are effective July 1, 2015.

FAILING TO FILE ANNUAL REPORTS

When various business entities fail to file their annual reports with the secretary, the act allows her to take administrative action to (1) dissolve or terminate a Connecticut business entity’s existence or (2) revoke an out-of-state business entity’s authority to conduct business in Connecticut. Table 1 lists these entities and when the secretary can take action based on an overdue annual report.

The law already gives the secretary authority to take these actions for a number of reasons, which vary based on the type of entity. For example, the secretary can dissolve a Connecticut stock corporation for failing to maintain a registered agent as required by law or when the agent cannot be found.

Table 1: When the Secretary Can Take Administrative Action Under the Act

| Business Entity | Secretary Can Act When Annual Report is: |
|---|--|
| Connecticut stock corporation | More than one year past due |
| Connecticut non-stock corporation | More than two years past due |
| Foreign stock corporation | Past its due date |
| Connecticut limited partnership (LP) | More than one year past due |
| Foreign LP | Past its due date |
| Connecticut limited liability company (LLC) | More than one year past due |
| Foreign LLC | Past its due date |

The act subjects the secretary’s new authority regarding failure to file annual reports to the existing procedures for dissolving or terminating an entity or revoking its authority to conduct business in Connecticut or creates similar procedures to do so. These procedures require the secretary to notify the business entity, generally give the entity three months to fix the deficiency (less for some entities), and require the secretary to file a certificate dissolving or terminating the entity or revoking its authority.

For two entities, the act changes when they are subject to these administrative actions. For a foreign non-stock corporation, the act allows the secretary to act when an annual report is past due, instead of when it is 60 days past due. For a Connecticut LLP, the act allows the secretary to act when the annual report is more than a year past due, instead of when it is more than three months past due.

NOTICE OF ADMINISTRATIVE DISSOLUTION, TERMINATION, OR REVOCATION OF AUTHORITY

By law, if a business entity does not cure the deficiency that triggered a notice of dissolution, termination, or revocation of authority to conduct business, the secretary finalizes the administrative action. The act (1) makes a number of similar changes that apply to the notices the secretary must send to these businesses and (2) applies them to dissolutions, terminations, and revocations for failure to file an annual report. The changes vary depending on the type of entity (to the extent they were not already covered by prior law).

Various Entities

For certain business entities, the law requires the secretary to mail a copy of the certificate of dissolution, termination, or revocation to the entity’s last known principal office. The act eliminates requirements that the secretary (1) use registered or certified mail and (2) publish notice of the dissolution in two successive issues of the *Connecticut Law Journal*. Instead, the act requires her to post the notices on her website for 60 days. This applies to administrative actions against a stock or nonstock corporation, LP, LLC, or LLP.

For foreign LPs, foreign LLCs, and foreign LLPs, the law already requires simply mailing the notice, and the act additionally requires posting it on the secretary’s website for 60 days.

Foreign Stock and Nonstock Corporations

By law, the secretary can revoke the certificate for these corporations if:

1. the corporation is 60 days past due on license fees, franchise taxes, or penalties;
2. the corporation does not have a registered agent or office in the state or does not inform the secretary of changes regarding its agent for at least 60 days;
3. an incorporator, director, officer, or agent signs a document for filing with the secretary knowing it is false in a material respect; or
4. the secretary receives an authenticated certificate from the corporation's state of incorporation indicating its dissolution or merger into another entity.

As described above, the act also allows the secretary to revoke a certificate for failing to file an annual report.

The act alters the procedures applicable to all of these revocations in the following ways.

1. Instead of serving written notice (which could be by a proper officer or other person lawfully empowered to do so, by registered or certified mail, return receipt requested), the act requires the secretary to send a notice by registered or certified mail to the corporation's principal office.
2. The act gives the corporation 90 days after mailing, rather than 60 days from service, as under prior law, to correct the problem.
3. After this period, instead of serving a copy of the revocation certificate, the act requires mailing a copy to the corporation's last known principal office address and posting a notice on the secretary's website for 60 days.

LLP REINSTATEMENT

The act allows a registered LLP whose status is revoked by the secretary as described above to file for reinstatement. The act requires changing the LLP's name through an amendment to the certificate of LLP if its name is no longer available. The LLP must (1) file a certificate of reinstatement with the secretary; (2) pay all penalties, forfeitures, and reinstatement fees; (3) file an annual report for the current year; and (4) appoint a statutory agent for service of process if required by law. The act makes reinstatement effective upon filing of the certificate, allows the status as an LLP to commence, and reinvests the LLP with its statutory rights and powers.

The act imposes a \$120 fee for a domestic or foreign LLP filing a certificate of reinstatement.

ELIMINATED FILING FEES

The act eliminates fees for filing certain documents with the secretary of the state, as shown in Table 2.

Table 2: Entity Filing Fees Eliminated by the Act

| <i>Act §</i> | <i>Entity</i> | <i>Document</i> | <i>Filing Fee Eliminated</i> |
|--------------|------------------------------|---|------------------------------|
| 1 | Stock corporation | Certificate of dissolution | \$50 |
| 1 | Foreign stock corporation | Application for and certificate of withdrawal | 100 |
| 6 | Nonstock corporation | Certificate of dissolution | 20 |
| 6 | Foreign nonstock corporation | Application for and certificate of withdrawal | 40 |
| 14 | LP | Certificate of cancellation | 60 |
| 16 | LLC | Articles of dissolution by resolution or expiration or a judicial decree of dissolution | 50 |
| 16 | Foreign LLC | Application for and certificate of withdrawal | 120 |
| 21 | LLP | Renunciation of status | 50 |
| 21 | Foreign LLP | Withdrawal of certificate of authority | 120 |
| 26 | Statutory trust | Certificate of cancellation | 120 |

EMAIL ADDRESSES

The act requires business entities to include email addresses, if they have one, on the following documents filed with the secretary's office:

1. a foreign stock corporation's application for certificate of authority to transact business in Connecticut,
2. a foreign nonstock corporation's application for certificate of authority to conduct affairs in Connecticut,
3. an LP certificate,
4. a foreign LP's application for registration,
5. an LLC's articles of organization,
6. a foreign LLC's application to register to do business in Connecticut,
7. an LLP's certificate of registration, and
8. a foreign LLP's certificate of authority.

PA 14-156—sHB 5450

Judiciary Committee

**AN ACT CONCERNING ARBITRATION IN
MOTOR VEHICLE ACCIDENT CASES**

SUMMARY: This act allows the court, at the request of all parties in a civil action involving a claim of bodily injury from a motor vehicle accident, to refer the case to an arbitrator chosen by the parties or their attorneys. Under the act, the arbitration must limit the damage award that an injured party may receive.

Under the act, the arbitrator's (1) finding is binding only on the parties to the civil action and (2) damage award cannot be used by or against any party to the arbitration in any later civil action or proceeding.

EFFECTIVE DATE: July 1, 2014, and applicable to civil actions pending or filed on or after that date.

BACKGROUND

Marques v. Allstate (140 Conn. App. 335 (2013))

The insured, Marques, brought an action against his insurer to recover underinsured motorist benefits under his automobile insurance policy following a motor vehicle accident. The Superior Court granted the insurer's motion for summary judgment and the insured appealed.

The Appellate Court held that the insured's claim for underinsured motorist benefits was barred by the doctrine of collateral estoppel. (Collateral estoppel prohibits the relitigation of an issue that was fully or fairly litigated in a prior action.)

The court concluded that Marques was not entitled to recover damages under his own automobile insurance policy's underinsured motorist provisions because the issue of Marques' total compensatory damages resulting from the collision was litigated and determined in the binding arbitration hearing in his action against the other driver's insurer.

PA 14-166—SB 55

Judiciary Committee

Public Safety and Security Committee

Appropriations Committee

**AN ACT CONCERNING COMPLAINTS THAT
ALLEGE MISCONDUCT BY LAW
ENFORCEMENT AGENCY PERSONNEL**

SUMMARY: This act requires the Police Officer Standards and Training Council (POST) to develop and implement a written policy for the State Police and municipal police departments (collectively, "law

enforcement agencies") on accepting, processing, and investigating public complaints against them alleging misconduct. POST must do so by July 1, 2015. The act specifies several factors that POST must consider in developing the policy.

Under the act, once POST implements its complaint policy, each law enforcement agency must either adopt it or develop and implement its own policy, in consultation with a union representative that represents the agency's members. A policy developed by a law enforcement agency must (1) address the issues that POST must consider in developing its policy and (2) exceed the standards of POST's policy.

The act requires each law enforcement agency, after adopting POST's policy or implementing its own, to make the policy available to the public. The agency must make the policy available (1) at the town hall or another municipal building in the municipality, other than a building where the agency is located, and (2) on the agency's or municipality's website.

EFFECTIVE DATE: July 1, 2014

**POST POLICY FOR COMPLAINTS AGAINST
POLICE**

The act requires POST, in developing the complaint policy for law enforcement agencies, to consider:

1. whether all of an agency's sworn officers and civilian employees must be required to accept complaints alleging misconduct by the agency's law enforcement personnel;
2. the means or processes for accepting public complaints, including those that are anonymous or made on behalf of someone else;
3. the need to require a complainant's sworn statement;
4. protections for a complainant who fears retaliation for filing a complaint;
5. using a standardized form to record complaints;
6. permissible timeframes for complaint filing;
7. protocols to investigate complaints;
8. documentation requirements for complaint receipt and disposition; and
9. the process for informing a known complainant about his or her complaint's disposition.

BACKGROUND

Police Officer Standards and Training Council

POST (1) trains, certifies, and establishes minimum qualifications for municipal police officers and (2) enforces professional standards for certifying and decertifying them.

PA 14-173—sSB 152*Judiciary Committee**Human Services Committee***AN ACT CONCERNING COURT SUPPORT SERVICES**

SUMMARY: This act makes a number of unrelated changes regarding the Judicial Branch's Court Support Services Division (CSSD) and Judicial Branch employees and programs. It:

1. requires the Department of Children and Families (DCF) to disclose certain information to CSSD to help it determine and provide appropriate supervision and treatment for a child or youth;
2. expands the circumstances in which probate court judges and employees can access juvenile matters records and specifies that they may also be disclosed if the law requires it;
3. allows (a) the Judicial Branch to enter into a central computer system any order or process to take a child into custody, (b) a child to be taken into custody based on an order in the system, and (c) certain disclosures of information about children subject to such an order;
4. gives the Department of Correction (DOC) and certain Division of Criminal Justice employees access to information in alternative sentencing and community release plans;
5. expands the crime of criminal violation of a protective order to include violating a protective order a court issued in sentencing a person to probation; and
6. gives the court an additional program option for first-time participants in the pretrial drug education and community service program.

EFFECTIVE DATE: October 1, 2014

§ 1 — DCF DISCLOSURES TO CSSD ABOUT CHILDREN OR YOUTH

The act requires DCF to disclose to CSSD, without a subject's consent, certain information to help CSSD determine and provide for a child's or youth's supervision and treatment needs. The disclosures relate to records of DCF's child protection activities or other activities related to children in DCF's care and custody, including information in the abuse and neglect registry. But the act allows disclosure only of information identifying the child or youth or an immediate family member as being or having been (1) committed to DCF custody as a delinquent, (2) under DCF supervision, or (3) enrolled in DCF voluntary services.

Generally, DCF records are confidential but can be disclosed (1) with the consent of the subject or (2) without such consent and for certain purposes to a guardian ad litem or attorney representing a child or youth in litigation affecting the child's or youth's best interests, certain foster or prospective adoptive parents, and various agencies and officials for specific purposes.

§ 2 — DISCLOSURE OF JUVENILE MATTERS RECORDS

The act expands when probate court judges and employees can obtain access to records of juvenile matters.

Previously, for nondelinquency juvenile matters, a probate court could access records related to (1) a contested case about a minor's guardianship or termination of parental rights that the probate court transferred to Superior Court or (2) an appeal from the probate court to the Superior Court. The act instead allows probate court judges and employees access to any nondelinquency records when required to perform their duties. Nondelinquency matters include cases involving:

1. uncared for, neglected, or abandoned children and youth and related adoptions;
2. termination of parental rights of parents of children committed to state agencies;
3. families with service needs;
4. contested matters of termination of parental rights or removal of guardians transferred from probate courts;
5. emancipation of minors; and
6. appeals from probate courts on adoption, termination of parental rights, or removal of a parent or guardian.

The act also gives probate court judges and employees access to juvenile delinquency records when required to perform their duties. Under existing law, access to juvenile delinquency records is permitted, under certain conditions, to various entities, including attorneys representing a child or youth, a child's or youth's parent or guardian until the age of majority or emancipation, certain government officials and agencies, certain courts, and the subject of the record.

The act specifies that the provisions governing disclosure and confidentiality of juvenile records do not prohibit a party from making a timely:

1. objection to the admissibility of one of these records, or any part of one, in a superior or probate court proceeding or
2. motion to seal one of these records under superior or probate court rules.

PA 14-104 contains identical provisions.

§§ 2 & 4 — CENTRAL DATABASE OF ORDERS TO TAKE CHILDREN INTO CUSTODY

The act authorizes the Judicial Branch to enter into a central computer system court orders to take a child into custody. The act makes the entry in the system prima facie evidence of the order or process and allows the child to be arrested or taken into custody based on it. The child must be held in a juvenile detention center if the order or process directs his or her detention.

The act allows disclosure of information about a child subject to such an order or process to Judicial Branch employees and authorized agents, law enforcement agencies, and DCF.

The chief court administrator must adopt policies and procedures to enter orders and processes into the computer system and disclose information about children subject to them.

§ 3 — ACCESS TO ALTERNATIVE SENTENCING OR COMMUNITY RELEASE PLANS

The act gives access to information in alternative sentencing and community release plans (see BACKGROUND) to (1) DOC employees and (2) Division of Criminal Justice employees assigned to the court location where (a) the court ordered a probation officer to complete an alternative sentencing plan or (b) a sentencing modification hearing will be held under a community release plan.

Under existing law, this information is available to:

1. Judicial Branch employees who require access to the information in performing their duties,
2. state and federal employees and authorized agents involved in designing and delivering treatment services to the person who is the plan's subject,
3. state or community-based agency employees providing services directly to the person, and
4. an attorney representing the person in any proceeding where the plan is relevant.

§ 5 — VIOLATING PROTECTIVE ORDERS

The act expands the crime of criminal violation of a protective order to include violation of a protective order issued by a court when sentencing a person to a period of probation. This crime already applies to violations of protective orders (1) in family violence cases; (2) in stalking, harassment, sexual assault, and risk of injury cases; and (3) related to witness harassment.

Under existing law, this crime is a class D felony (PA 14-217, § 123, increases the penalty to a class C felony on January 1, 2015 if the crime involves (1) imposing any restraint on the person or liberty of a

person in violation of the order or (2) threatening, harassing, assaulting, molesting, sexually assaulting, or attacking a person in violation of the order (see Table on Penalties)).

§§ 6-8 — PRETRIAL DRUG EDUCATION AND COMMUNITY SERVICE PROGRAM

Prior law required first-time program participants to attend a 15-week drug education program. The act gives the court the option, based on a Department of Mental Health and Addiction Services (DMHAS) evaluation and determination, to instead require a participant to attend a substance abuse treatment program consisting of at least 15 sessions. By law, the court (1) has these same options for those participating for the second time, based on DMHAS' evaluation, and (2) must refer a third-time participant to a state licensed substance abuse program for evaluation and participation in treatment as ordered by the court.

By law, this program is for people charged with drug possession or paraphernalia crimes who meet certain eligibility criteria. If the court grants participation, it must suspend prosecution and dismiss the charges if the person successfully completes the program. A participant who fails to complete the program and is not reinstated must stand trial.

The act also makes technical and conforming changes.

BACKGROUND

Alternative Sentencing and Community Release Plans

By law, probation officers:

1. must complete alternative sentencing plans if ordered by the court for someone who enters a plea agreement for up to two years in prison and
2. may develop community release plans for people sentenced to prison terms of up to two years who have (a) served at least 90 days in prison and (b) complied with prison rules and necessary treatment programs. Probation officers must apply for a sentence modification hearing if they develop such a plan.

PA 14-177—HB 5526

Judiciary Committee

AN ACT CONCERNING DELINQUENT CHILD SUPPORT OBLIGORS

SUMMARY: This act requires the Bureau of Child Support Enforcement to (1) establish, maintain, and periodically update a list of all delinquent child support

obligors and (2) publish, on the Department of Social Services' website, a list of the 100 individuals with the highest delinquent child support obligations. The bureau must establish the lists using information on initial or modified support orders contained in the state case registry and include, at a minimum, the (1) obligors' names and residential addresses and (2) amounts of delinquent child support owed, excluding any amount for which an appeal is pending.

Under the act, a "delinquent child support obligor" is a person who (1) owes overdue court-ordered child support that amounts to more than 90 days of his or her periodic payments on a current child support or arrearage payment order or (2) has failed to make court-ordered medical or dental insurance coverage available within 90 days after the order or maintain the coverage for 90 days.

EFFECTIVE DATE: October 1, 2014

PA 14-181—sHB 5538

Judiciary Committee

AN ACT CONCERNING JUICE BARS

SUMMARY: This act prohibits café permit holders, or their agents or employees, who operate juice bars on the premises from serving alcohol to a customer without a conspicuous wristband issued by the permittee showing they have verified that the customer is of legal drinking age (at least age 21). By law, a "juice bar" is a place where nonalcoholic beverages are served to minors (under age 21) on the premises of a café permit holder. The law allows a café to operate a juice bar in a room or separate area where alcohol is not sold, consumed, or dispensed.

Prior law required a café permittee, at least 48 hours before a scheduled event, to send the chief law enforcement officer of the municipality where the café is located, written notice of when the café premises would have a juice bar during that event. The act instead requires this notice to be sent (1) between five and 30 days before the scheduled event and (2) by certified mail or email, to the designated email address for the chief law enforcement officer, in a way that ensures the notice is received within the 25-day notice window. It also allows the chief local law enforcement officer to designate more than one officer to attend the scheduled event, rather than one officer under prior law.

The act also (1) applies the penalty for violating the juice bar operation requirements to a permittee's agent or employee and (2) increases the maximum fine for violations. Under prior law, violations were punishable by a fine of up to \$1,000, up to one year imprisonment, or both (CGS § 30-113). Under the act, violators are subject to a maximum fine of:

1. \$2,500 for a first offense,
2. \$5,000 for a second offense, and
3. \$10,000 for a third or subsequent offense.

The act retains the maximum one-year prison term for any violation.

EFFECTIVE DATE: July 1, 2014

PA 14-184—sHB 5588

Judiciary Committee

AN ACT CONCERNING BAIL BONDS

SUMMARY: This act makes a number of changes relating to bail bonds in criminal cases, including:

1. allowing a court to extend, for good cause, the required six-month stay of execution on a bond forfeiture order when an accused fails to appear in court;
2. allowing a surety to apply to the court to be released from a bond after a principal absconds; and
3. requiring the court to vacate a bond and release a professional bondsman or surety bail bond agent and insurer upon satisfactory proof that the accused is held by a federal agency or removed by U.S. Immigration and Customs Enforcement (ICE), if the prosecutor does not seek extradition.

The act also makes technical changes.

EFFECTIVE DATE: October 1, 2014

EXTENDING STAY OF FORFEITURE ORDER

When someone deposits cash or pledges real property equal to the amount of a bond, or a person posts a surety bond of at least \$500, and the accused does not appear in court, the law requires the court to (1) order the bond forfeited and (2) issue a rearrest warrant. The law requires the court to stay execution of the forfeiture for six months and, if the person returns to custody during that period, automatically terminate the bond and release the surety or person who offered cash bail or pledged real property on behalf of the accused.

The act allows the court to extend the stay of execution for good cause and automatically terminates the bond if the person is returned during this extended period.

ABSCONDING PRINCIPAL

The law requires a surety to apply to the Superior Court when he or she believes the principal on the bond will abscond, and the court must order the person taken into custody. The principal's surrender discharges the bond. The act allows (1) the surety to apply to the court

to be released from a bond after a principal absconds and within six months after a bond forfeiture order and (2) a judge to release a surety for good cause.

ACCUSED HELD BY FEDERAL AGENCY OR REMOVED BY ICE

By law, the court must vacate a bond forfeiture order and release a professional bondsman or surety bail bond agent and insurer who posted a bond for the accused when the (1) accused is held in another state, territory, or country; (2) bondsman, agent, or insurer provides proof of the accused's detention; and (3) prosecutor does not seek to extradite the accused. The act also requires the court to vacate a bond forfeiture order and release an individual if the (1) bondsman, agent, or insurer provides proof the accused is held by a federal agency or is removed by ICE and (2) prosecutor declines to extradite the accused.

The act specifies that the court must find satisfactory proof that one of these circumstances exists before vacating a bond and releasing a bondsman, agent, or insurer.

PA 14-185—sHB 5592

Judiciary Committee

AN ACT CONCERNING THE TIME LIMITATION FOR PROSECUTING A MOTOR VEHICLE VIOLATION OR OFFENSE THAT RESULTS IN THE DEATH OF ANOTHER PERSON

SUMMARY: This act eliminates the statute of limitations for prosecuting someone for a motor vehicle violation or crime when the (1) violation or offense resulted in another's death and (2) person evaded responsibility in an accident involving serious physical injury or death.

Under the circumstances covered by the act, an offender may be charged with a number of crimes. The act eliminates the statute of limitations that would ordinarily apply to these crime, which require the state to prosecute (1) misdemeanors (which are punishable by up to one year in prison) within one year of the offense and (2) most felonies (which are punishable by at least one year in prison) within five years. By law, certain offenses, such as murder and other class A felonies, do not have any statute of limitations.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Evading Responsibility After Causing Serious Injury or Death

A driver knowingly involved in an accident that causes serious physical injury to or the death of another must immediately stop; render necessary aid; and provide his or her name, address, and driver's license and registration information to the injured person, a police officer, or a person who witnessed the death or serious injury. If unable to do so for any reason, the driver must immediately inform the police (CGS § 14-224(a)).

Evading responsibility where a death or serious physical injury occurs is punishable by one and 10 years in prison, a fine of up to \$10,000, or both (CGS § 14-224(f)).

PA 14-192—sHB 5525

Judiciary Committee

AN ACT CONCERNING CHILD PORNOGRAPHY AND PROVIDING NOTICE TO THE CHIEF EXECUTIVE OFFICER OF A MUNICIPALITY UPON THE RELEASE OF A REGISTERED SEXUAL OFFENDER INTO SUCH MUNICIPALITY

SUMMARY: By law, visual depictions of children (under age 16) engaged in sexually explicit conduct are subject to the state's child pornography laws, whether they are generated by electronic, mechanical, or other means. A "visual depiction" is a photograph, film, videotape, picture, or computer-generated image or picture. This act specifically includes visual depictions generated by digital means.

The act also expands the range of visual depictions that constitute the crimes of 1st, 2nd, and 3rd degree possession of child pornography. It does so by adding certain visual depictions based on the number of victims, illicit acts, or frames they contain. Under prior law, a defendant was charged based on the number of visual depictions he or she possessed and whether they showed the infliction or threatened infliction of serious physical injury.

The act excludes a visual depiction that is a (1) series of images intended for continuous display, (2) film, or (3) videotape from the affirmative defense available under the child pornography laws. (An "affirmative defense" is a defense a defendant can raise and prove to avoid conviction for the crime.) By law, the possession of less than three visual depictions of child pornography is an affirmative defense to a charge of 1st, 2nd, or 3rd degree possession of child pornography

or a charge of possession or transmission of child pornography by a minor.

Lastly, the act requires the Department of Emergency Services and Public Protection (DESPP) to notify a municipal chief executive officer (CEO) when someone required to register as a sex offender is released into the CEO's community. DESPP must email this notice and provide the CEO with the same registry information about the registrant that DESPP posts publicly on the Internet.

EFFECTIVE DATE: October 1, 2014, except for the sex offender notice provision, which is effective July 1, 2014.

1ST, 2ND, AND 3RD DEGREE POSSESSION OF CHILD PORNOGRAPHY

The act expands the range of visual depictions that, when a person knowingly possesses them, constitute 1st, 2nd, and 3rd degree possession of child pornography.

| <i>Crime (Penalty)</i> See Table on Penalties | <i>Prior Law</i> Range of visual depictions: | <i>The Act</i> Expands the range of visual depictions to include any series of images (in any format) intended for continuous display, film, or videotape that consists of: |
|---|---|---|
| 1 st degree possession of child pornography (Class B felony) | 50 or more visual depictions of child pornography or One or more visual depictions of child pornography that depict the infliction or threatened infliction of serious physical injury | Two or more frames and depicts (1) more than one child engaging in sexually explicit conduct or (2) more than one act of sexually explicit conduct by one or more children, or Any combination each of which consists of two or more frames and depicts a single act of sexually explicit conduct by one child |
| 2 nd degree possession of child pornography (Class C felony) | At least 20 but less than 50 visual depictions of child pornography | At least 20 but less than 50 frames and depicts a single act of sexually explicit conduct by one child |
| 3 rd degree possession of child pornography (Class D felony) | Less than 20 visual depictions of child pornography | Less than 20 frames and depicts a single act of sexually explicit conduct by one child |

BACKGROUND

Related Act

PA 14-213 contains similar provisions requiring DESPP to notify a municipal CEO when a sex offender is released and resides or plans to reside in the CEO's community.

PA 14-204—sSB 260

Judiciary Committee

AN ACT CONCERNING THE DUTIES OF A CONSERVATOR AND OTHER PERSONS AUTHORIZED TO MAKE DECISIONS RELATING TO THE CARE AND DISPOSITION OF A DECEASED PERSON'S BODY

SUMMARY: This act makes various changes concerning the disposition of a person's body after death. It allows an agent with power of attorney to execute a written document before the principal's death directing, or designating someone to take custody and control of, the disposition upon the principal's death. It gives the same authority to a conservator in regard to the conserved person's body after death, but only if the probate court expressly authorizes it.

The act generally prohibits someone with custody and control of the disposition of a deceased person's body from knowingly providing for disposition in a manner inconsistent with the above documents or a person's own advance directive or other document setting forth health care instructions (including those relating to anatomical gifts). But, a contrary disposition is allowed if approved by the probate court.

The act specifies that when multiple people have disposition rights over a deceased relative's body, a majority who can be located and wants to participate makes the arrangements.

By law, a conservator cannot revoke the conserved person's advance health care directive unless the appointing court expressly authorizes it. The act also prohibits conservators, without such authorization, from revoking a document executed by the conserved person or his or her agent with power of attorney concerning the body's disposition and designation of custody and control upon death.

With some exceptions, existing law gives a health care decision of a health care representative precedence over that of a conservator (see BACKGROUND). The act extends this precedence and the exceptions to decisions about the disposition of the person's body.

The act also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2014

DISPOSITION OF BODY AFTER DEATH

Agents and Conservators

The act applies to the documents that agents and conservators can execute to direct a body’s disposition after death the same conditions as currently apply to advance directives that people execute for themselves. For example, the document must be signed by the agent or conservator and attested by two witnesses. The document can direct the body’s disposition after death (e.g., cremation, burial). It also can designate someone to have custody and control of the body and, if applicable, carry out the directions for disposition. If the document designates an individual, it can also designate an alternate.

The act also requires such a document executed by a conservator to include provisions indicating that the document (1) is valid if the person is under conservatorship at the time of death and (2) terminates upon the end of the conservatorship if that occurs before the conserved person’s death.

Disposition by Next of Kin in Absence of Designation

By law, the right to custody and control of a deceased person’s body belongs to the person’s next of kin if (1) the person did not designate an individual in an advance directive or (2) any designated individual or alternate declines to act or cannot be located within 48 hours after the death or discovery of the body. Custody and control are subject to any disposition directions in the deceased person’s advance directive. Under the act, the same rule applies to agents’ or conservators’ written documents.

By law, the spouse, if any, generally has first priority for having custody and control, and subsequent priority rests with other relatives (e.g., adult children have the next order of priority). If (1) there is no surviving spouse or the spouse does not have priority and (2) multiple other relatives have equal priority, the act provides that custody and control of the body rest in a majority of the relatives who can be located and who indicate their willingness to help make disposition arrangements. They must indicate this willingness in writing and within a reasonable time, up to 10 days after the deceased is identified.

BACKGROUND

Health Care Decisions of Health Care Representative and Conservator

By law, a health care decision of a person’s health care representative generally takes precedence over a decision by the person’s conservator. But this does not apply if:

1. there is a court order to the contrary;
2. the decision concerns someone subject to the laws on examination of certain convicted persons, temporary leaves or conditional release of acquittees in hospitals for psychiatric disabilities, or competency to stand trial;
3. the conservator has been appointed for someone who is subject to an order concerning administration of medication for treatment of psychiatric disabilities, for the duration of the person’s hospitalization; or
4. the conservator has been appointed for a person subject to an order concerning medication administration to a criminal defendant placed in the custody of the mental health and addiction services commissioner (CGS § 19a-580e).

PA 14-207—sSB 389

*Judiciary Committee
Education Committee*

AN ACT CONCERNING COURT OPERATIONS

SUMMARY: This act makes a number of unrelated changes, including:

1. authorizing chief probation officers and supervisory judicial marshals employed by the Judicial Branch to administer oaths in the performance of their duties (§ 1);
2. eliminating restrictions on political party membership for members of the State Marshal Commission and altering the number of members who can be licensed attorneys;
3. allowing the chief justice to designate anyone, not just a Supreme Court justice, to serve in her place on the State Library Board;
4. presuming abandoned and requiring the court clerk to deposit in the General Fund, any amount of money up to \$10 found on Superior Court property that the finder gives to the court clerk (§ 4);
5. expanding the circumstances in which venue in housing matters must be based on judicial district instead of geographical area;
6. expanding the types of Judicial Branch fees, costs, fines, and charges a person can pay by credit card;
7. allowing an authorized Judicial Branch official to purchase body armor on behalf of a judicial marshal without meeting with the seller in person;
8. making a number of changes to when a defendant’s bail bond automatically terminates;

9. making minor and clarifying changes regarding ex parte orders for child custody and investigations in family relations matters;
10. narrowing the scope of the new guardian ad litem (GAL) and counsel for minor children (CMC) appointment procedures and certain Judicial Branch requirements established under PA 14-3 by narrowing the range of family relations matters to which these provisions apply;
11. setting the parameters for GALs', CMCs', and health care professionals' participation in court proceedings; and
12. eliminating (a) authorization for a special education administrative cases pilot program that was never implemented and (b) the wrongful conviction commission.

EFFECTIVE DATE: October 1, 2014, except the provisions regarding the (1) State Library Board and GAL and CMC publications are effective July 1, 2014 and (2) GAL and CMC professional code of conduct are effective upon passage.

§§ 2, 11, & 12 — COMPOSITION OF THE STATE MARSHAL COMMISSION

By law, the State Marshal Commission consists of a judge appointed by the chief justice, one member appointed by each of the six legislative leaders, and a gubernatorial appointee who serves as chairperson.

The act eliminates a restriction that no more than four members excluding the chairperson can be from the same political party. It also alters the number of members who may be attorneys licensed by any state. Previously, no more than three of the six legislative appointments could be licensed attorneys. Under the act, there can be no more than four licensed attorneys among the legislative appointments and the governor's appointment as chairman.

The act also makes technical changes.

§ 3 — COMPOSITION OF THE STATE LIBRARY BOARD

By law, the Supreme Court chief justice or her designee is a member of this board. The act allows the chief justice to designate anyone, not just a Supreme Court justice, to serve in her place.

By law, the board's other members are:

1. the chief court administrator or his designee,
2. the education commissioner or his designee,
3. five electors appointed by the governor, and
4. one member appointed by each of the top four legislative leaders.

§ 5 — VENUE FOR HOUSING MATTERS

Prior law determined venue in housing matters by judicial district in the judicial districts of Fairfield, Hartford, Middlesex, New Britain, New Haven, Stamford-Norwalk, Tolland, and Waterbury and otherwise determined venue based on the courts' geographical areas. Under the act, the chief court administrator may require venue to be based on additional judicial districts when he determines that the prompt and proper administration of judicial business requires it.

By law, housing matters include summary process (eviction) cases; appeals from fair rent commission decisions; and cases involving discrimination in sales or rentals, health and safety violations, rent and security deposit violations, and other violations of landlord-tenant laws.

§ 6 — PAYING FEES

The act allows a person to pay by credit card any Judicial Branch fee, cost, fine, or other charge, not just those from the Superior Court. As with Superior Court charges, the person paying by credit card can be charged a service fee up to the amount of the charge from the card issuer, including any discount, and the chief court administrator can set times and conditions for credit card payments.

§ 7 — BODY ARMOR

The act allows an authorized Judicial Branch official to purchase body armor on behalf of a judicial marshal without meeting with the seller in person. By law, only specified law enforcement and military officials may purchase body armor without meeting the seller in person, including authorized Judicial Branch officials who purchase body armor on behalf of probation officers.

§ 8 — AUTOMATIC TERMINATION OF BAIL BONDS

When a defendant is released from custody on posting a bail bond, the law automatically terminates the bond under certain circumstances. The act changes these circumstances in a number of ways.

1. It eliminates automatic termination when a person is granted admission to the community service labor program. (This program is no longer a pretrial program. But certain offenders may participate instead of serving a prison sentence after a plea agreement.)
2. It adds automatic termination when prosecution ends by nolle prosequi (the prosecutor officially declines to prosecute the charge).

This appears to match court practice.

3. Existing law automatically terminates a bond upon sentencing. The act requires termination only after the court lifts any stay of the sentence that it imposed.
4. The act automatically terminates a bond when the court admits a defendant to a probation program for certain people charged with certain violations involving (a) armor piercing and incendiary ammunition, (b) large capacity magazines, and (c) long gun sales and transfers.

As under existing law, a bond is automatically terminated when a person:

1. participates in the following pretrial diversion programs: accelerated rehabilitation, alcohol education, family violence education, drug education and community service, or school violence prevention;
2. has his or her charges dismissed; or
3. is acquitted.

§ 9 — EX PARTE ORDER FOR CHILD CUSTODY

PA 13-194 authorized the court to issue ex parte orders for child custody in certain circumstances. The act clarifies that the court must order a hearing on an application and, if it grants an order ex parte, it must schedule a hearing within 14 days after issuing the order.

§ 10 — INVESTIGATIVE REPORT IN FAMILY RELATIONS MATTERS

The law requires the report of an investigation ordered by the court in a family relations case to be filed with the clerk and a copy mailed to counsel. The act eliminates a requirement to file four copies of the report and adds a requirement to mail a copy to any self-represented party.

§§ 13 & 15-16 — GAL AND CMC APPOINTMENT IN FAMILY RELATIONS MATTERS

By law, a GAL is a person, not necessarily an attorney, appointed by the court during certain proceedings to gather information at the court's request and report on what he or she believes to be in a person's best interest. A CMC is an attorney appointed by the court to advocate in court for a minor child's best interest.

PA 14-3 establishes new procedures and requirements for GAL and CMC appointment in "family relations matters," including provisions on Judicial Branch publications and a code of conduct. This act narrows the scope of these provisions by

narrowing the range of family relations matters to which the new procedures and Judicial Branch requirements apply. It does so by excluding family relations matters affecting or involving (1) juvenile matters; (2) matters on appeal from probate court concerning adoption or termination of parental rights, appointment and removal of guardians, and child custody orders; and (3) other children or family relations matters formerly included at the Superior Court's discretion.

Under the act, a "family relations matter" is a matter affecting or involving:

1. dissolution of marriage, contested and uncontested, except dissolution upon conviction of crime;
2. legal separation;
3. annulment of marriage;
4. alimony, support, custody, and change of name incident to dissolution of marriage, legal separation, and annulment;
5. actions related to civil restraining orders;
6. complaints for change of name;
7. civil support obligations;
8. habeas corpus and other proceedings to determine child custody and visitation;
9. habeas corpus brought by or on behalf of any mentally ill person except a person charged with a criminal offense;
10. appointment of a commission to inquire whether a person is wrongfully confined;
11. all rights and remedies related to divorce, annulment, and legal separation;
12. establishment of paternity;
13. appeals from probate concerning (a) appointment and removal of conservators and (b) orders of commitment of persons to public and private institutions and to other appropriate facilities;
14. actions related to prenuptial and separation agreements and matrimonial and civil union decrees of a foreign jurisdiction;
15. dissolution, legal separation, or annulment of a civil union performed in a foreign jurisdiction; and
16. custody proceedings brought under the Uniform Child Custody Jurisdiction and Enforcement Act.

§ 14 — GAL, CMC, AND HEALTH CARE PROFESSIONAL PARTICIPATION IN COURT PROCEEDINGS

The act allows a GAL or CMC to speak or report to the court on any medical diagnosis or conclusion made by a health care professional treating the minor child, when (1) at least one party has refused to cooperate in paying for or obtaining the records and (2) the GAL or

CMC is in possession of the treating healthcare professional's medical record or report that indicates or supports the medical diagnosis or conclusion concerning the child. This amends PA 14-3, § 2, which prohibited a GAL or CMC from being heard by the court on such matters unless all parties had refused to cooperate in paying for or obtaining such records.

§ 17 — SPECIAL EDUCATION CASE PILOT PROGRAM AND WRONGFUL CONVICTION COMMISSION ELIMINATED

The act eliminates the:

1. chief court administrator's authority to establish a pilot program, which was never established to resolve special education administrative contested cases, and
2. Wrongful Conviction Advisory Commission, which prior law authorized to investigate and determine the cause of wrongful convictions.

PA 14-213—SB 432

Judiciary Committee

Planning and Development Committee

AN ACT CONCERNING NOTICE TO THE SUPERINTENDENT OF SCHOOLS OR CHIEF EXECUTIVE OFFICER OF A MUNICIPALITY UPON RELEASE OR RELOCATION OF A REGISTERED SEXUAL OFFENDER INTO THE SCHOOL DISTRICT OR MUNICIPALITY

SUMMARY: This act requires the Department of Emergency Services and Public Protection (DESPP) to notify a municipal chief executive officer (CEO) when someone required to register as a sex offender (1) is released into the community or notifies DESPP of an address change and (2) resides or plans to reside in the CEO's municipality. DESPP must email this notice and provide the CEO with the same registry information about the registrant that DESPP posts publicly on the Internet.

The act also requires DESPP to notify the superintendent of the school district where the registrant resides or plans to reside when a registered sex offender notifies DESPP of an address change. DESPP must provide the same email notice and information described above. By law, DESPP already provides this notice and information to school superintendents when registered sex offenders are released into the community.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Sex Offender Notices

When it receives registry information, DESPP must enter it in the sex offender registry and notify the local police department or state police troop in whose jurisdiction the registrant resides or plans to reside. If the registrant informs DESPP of his or her employment or status as a student at a trade, professional, or higher education institution, DESPP must notify the law enforcement agency with jurisdiction over the institution.

A state agency, the Judicial Branch, a state police troop, or a local police department can notify any government agency, private organization, or individual of registration information when it believes notice is necessary to protect the public or an individual from a registrant (CGS §§ 54-257 & 258).

Related Act

PA 14-192 contains similar provisions requiring DESPP to notify a municipal CEO when a sex offender is released and resides or plans to reside in the CEO's community.

PA 14-215—sSB 457

Judiciary Committee

Insurance and Real Estate Committee

AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT

SUMMARY: This act makes various revisions to the Common Interest Ownership Act (CIOA) and related laws affecting condominiums and other common interest communities.

It provides for the termination of certain master associations, and transfer of their assets to new nonstock corporations, upon the consent of 25% of the unit owners. It requires, among other things, the association of each constituent common interest community to appoint a member to the nonstock corporation's board, and each board member to have an equal vote in board matters (§ 7).

The act requires the minutes of executive board meetings to indicate how each board member voted on any final action the board proposed, unless the board approved the action unanimously or without any member objecting (§ 1).

The act extends certain unit owner voting requirements to votes conducted without a meeting. It also establishes a default rule that association directors and officers are elected by plurality vote (§ 2).

It expands the information a unit owner must include in the resale certificate when selling a unit (§ 3).

It doubles the maximum fine, from \$500 to \$1,000, for certain criminal acts regarding community association management services (§ 4).

The act exempts from the law's restrictions on private transfer fees any dues, assessments, fines, or other amounts payable to associations of common interest communities as defined under CIOA, not just those organized under CIOA (§ 6). The CIOA definition covers all common interest communities, including those organized before CIOA was enacted. Thus, the exemption applies to all common interest communities, regardless of when they were formed.

The act also corrects inaccurate statutory references and makes other technical changes.

EFFECTIVE DATE: October 1, 2014, except the provisions on master associations are effective January 1, 2015, and certain technical changes are effective upon passage.

§ 7 — TERMINATING MASTER ASSOCIATIONS

The act creates a process to terminate certain master associations and transfer the association's assets to a new nonstock corporation, upon the consent of 25% of the unit owners.

These provisions apply to master associations:

1. comprised of common interest communities consisting of at least 400 units (presumably the total of all such communities, and not each individual community, must have this many units);
2. governed by a board of directors consisting of one individual representing each constituent common interest community, who is on the constituent community's board; and
3. whose board has a weighted vote based on the number of units in the constituent community represented by the director.

Under the act, such a master association is terminated and dissolved if at least 25% of unit owners in the constituent communities consent, in writing. Upon its termination and dissolution, the master association must convey its assets to a new nonstock corporation that must be formed within 60 days.

The act provides that unit owner associations of the constituent communities are the members of the new nonstock corporation. It requires each member association to appoint one person to be a member of the corporation's board of directors. Each board member has an equal vote on matters to be voted on by the board.

The act gives unit owners of each constituent common interest community equal rights to use the facilities owned by the corporation. It requires each

constituent community to share in the cost of the operation, maintenance, repair, and replacement of the corporation's facilities, based on the number of units in each constituent community as a percentage of the total number of units in all constituent communities comprising the master association.

Under the act, the Superior Court may enter such orders as are appropriate to implement the termination and transfer and the organization and operation of the new nonstock corporation.

§ 2 — UNIT OWNER VOTING; OFFICER AND DIRECTOR ELECTIONS

Under CIOA, if a unit has multiple owners and only one is present at an association meeting, that owner can cast all the votes allocated to the unit. If more than one are present, the unit's votes may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. The act extends these provisions to votes conducted without a meeting.

Under CIOA, the default rule for unit owner meetings is that the majority of votes cast represents the owners' decision. Other CIOA provisions, other law, or the community's declaration can require a larger number or fraction of votes. The act extends these provisions to votes conducted without a meeting.

It also creates an exception for unit owner elections of association directors and officers. It provides that directors are elected by a plurality vote, unless the association's declaration, bylaws, or certificate of incorporation requires a greater number or fraction of votes. It applies this same rule to officer elections if any such instrument gives unit owners the authority to elect officers.

Under the act, if any such association instrument requires any or all directors or officers to be elected by unit owners of a specified group or class of units, then these directors or officers are elected by a plurality of votes by the owners of that group or class.

These provisions on director and officer elections do not apply to directors appointed by the declarant (developer). They also do not apply to directors appointed, as authorized by the declaration, by a government subdivision or agency or federally tax-exempt nonstock corporation, during or after the period of declarant control.

§ 3 — RESALE CERTIFICATE

CIOA generally requires a unit owner to provide a purchaser with a certificate containing specified information before selling the unit. The act adds to the information that must be in this resale certificate. It requires the certificate to include a statement disclosing

(1) the most recent fiscal period within the previous five years for which an independent certified public accountant reported on a financial statement and (2) whether that report was a compilation, review, or audit.

§ 4 — COMMUNITY ASSOCIATION MANAGERS

By law, community association managers must register with the Department of Consumer Protection (DCP). Certain prohibited acts relating to community association management are punishable by a fine, up to one year in prison, or both. The act increases the maximum fine from \$500 to \$1,000.

These prohibited acts include:

1. presenting or attempting to present someone else's registration certificate as one's own;
2. knowingly giving false material evidence to DCP, or the Connecticut Real Estate Commission within DCP, to get a certificate;
3. impersonating a registered manager;
4. using or attempting to use an expired, revoked, or suspended certificate;
5. offering to provide association management services without a current certificate; or
6. representing in any manner that registration is an endorsement by DCP or the commission regarding the manager's quality of services or competency.

By law, unchanged by the act, these actions are also deemed to be an unfair or deceptive trade practice. In addition, these actions constitute grounds for the commission to take various disciplinary actions concerning the manager's registration.

BACKGROUND

Common Interest Ownership Act

CIOA governs the creation, alteration, management, termination, and sale of condominiums and other common interest communities formed in Connecticut on and after January 1, 1984 (CGS § 47-200 et seq.). Certain CIOA provisions also apply to common interest communities created in Connecticut before January 1, 1984 but do not invalidate existing provisions of the communities' governing instruments. Common interest communities created before that date can amend their governing instruments to conform to portions of CIOA that do not automatically apply (CGS §§ 47-214, 216, & 218).

PA 14-228—sSB 465

Judiciary Committee

Appropriations Committee

AN ACT CONCERNING IGNITION INTERLOCK DEVICES

SUMMARY: This act makes a number of changes affecting driving under the influence (DUI), driver's license suspensions, and ignition interlock device (IID) requirements, starting July 1, 2015. It affects penalties imposed when a person is (1) administratively found to have violated drunk driving laws (administrative per se) or (2) convicted of DUI.

Among other things, the act:

1. reduces the license suspension period for all administrative per se violations to 45 days, but imposes ignition interlock requirements after the suspension ends (§§ 1 & 6);
2. eliminates the 90-day waiting period for a special operator's permit for a first administrative per se violation for refusing to submit to a blood alcohol content (BAC) test (§ 2);
3. changes the required license suspension period for someone who fails to use an IID as required (§ 3);
4. specifically allows the motor vehicles (DMV) commissioner to impose IID requirements on Connecticut residents following an out-of-state DUI conviction that occurs within 10 years of a previous DUI conviction in Connecticut or another state (§ 4); and
5. decreases, in some cases, the suspension period for drivers under age 21 convicted of DUI for the second time (§ 5).

The act also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2015

§§ 1 & 6 — ADMINISTRATIVE PER SE LICENSE SUSPENSION AND IID REQUIREMENTS

By law, motorists implicitly consent to be tested for drugs or alcohol when they drive. The law establishes administrative license suspension procedures for drivers who refuse to submit to a test or whose test results indicate an elevated BAC, which is generally .08% or more for drivers age 21 or older. (These provisions are called "implied consent" and "administrative per se," respectively.)

Table 1 displays the administrative per se license suspension periods under prior law. For drivers under age 21, prior law doubled the suspension period, except a first violation for a 16- or 17-year-old resulted in a suspension for (1) one year if the driver tested with an elevated BAC or (2) 18 months if the driver refused to take the test. (Drivers younger than age 21 have an elevated BAC if it is found to be .02% or more.)

Table 1: Administrative Per Se License Suspension Periods for Drivers Age 21 or Older, Under Prior Law

| <i>Per Se Offense</i> | <i>First Suspension</i> | <i>Second Suspension</i> | <i>Third or Subsequent Suspension</i> |
|---|-------------------------|--------------------------|---------------------------------------|
| BAC of (1) .08% or more or (2) .04% or more if operating a commercial vehicle | 90 days | 9 months | 2 years |
| BAC of .16% or more | 120 days | 10 months | 2 ½ years |
| Test Refusal | 6 months | 1 year | 3 years |

The act reduces the license suspension period for all administrative per se violations to 45 days but imposes ignition interlock requirements after the suspension period. An IID requires the driver to breathe into it. If the device detects a BAC above a certain threshold, it prevents the vehicle from being started.

The act (1) requires the driver to install and maintain an IID on each motor vehicle he or she owns or operates as a condition of license restoration and (2) prohibits the driver from operating a vehicle without an IID during the period when the IID requirements apply. The required periods of IID use are shown in Table 2.

Table 2: Required Periods of IID Use Under the Act, After Administrative Per Se License Suspension

| <i>Per Se Offense</i> | <i>IID Requirement (After 45-Day License Suspension)</i> | | |
|--|--|--------------------------|---------------------------------------|
| | <i>First Suspension</i> | <i>Second Suspension</i> | <i>Third or Subsequent Suspension</i> |
| Age 21 or older: BAC of (1) .08% or more or (2) .04% or more if operating a commercial vehicle | 6 months | 1 year | 2 years |
| Under Age 21: BAC of .02% or more | 1 year | 2 years | 3 years |
| Test refusal, regardless of age | 1 year | 2 years | 3 years |

The act provides that any longer period of IID use for a DUI conviction applies in place of these periods. By law, in addition to license suspension and IID requirements, a person convicted of DUI is subject to imprisonment, probation, and fines.

The act also specifies that notwithstanding these provisions on administrative suspensions, someone whose license is permanently revoked for a third DUI conviction is subject to existing requirements regarding applications for reinstatement and required IID use. Among other things, these provisions allow the person to request restoration after two years, subject to various conditions. If the DMV commissioner restores the license, she must require lifetime use of an IID, but the person can request removal of the IID for good cause after 15 years (CGS § 14-111(i)(2)).

By law, the DMV commissioner must adopt regulations to implement the administrative per se license suspension and related provisions.

§ 2 — SPECIAL OPERATOR’S PERMIT

By law, certain people whose driver’s licenses have been suspended may apply for a special permit that allows them to drive to and from (1) work or (2) a higher education institution or private occupational school in which they are enrolled.

Prior law prohibited DMV from issuing such a permit to someone whose license was suspended for a first violation of refusing to submit to a test, until the person had served at least 90 days of the suspension. The act removes this prohibition. (As noted above, the act reduces this suspension period to 45 days and requires IID use after that period.)

§ 3 — FAILURE TO USE IID

Under prior law, someone who failed to use an IID as required was subject to an additional license suspension as the DMV commissioner prescribed, up to the length of the original suspension. The act instead requires a suspension until the person demonstrates to the commissioner’s satisfaction that he or she intends to install and maintain the IID for the required period.

§ 4 — IID AND OUT-OF-STATE CONVICTIONS

By law, DMV must suspend a person’s driver’s license for the period required for a DUI conviction in Connecticut if a member jurisdiction of the interstate Driver License Agreement reports a conviction in that jurisdiction. For license suspension purposes, the commissioner can consider such an out-of-state conviction to be a second or subsequent conviction if the person was convicted of DUI within the previous 10 years in Connecticut or another state. The act specifies that DMV may impose IID requirements as well as

license suspensions for these second or subsequent DUI convictions.

§ 5 — DUI CONVICTIONS

Under prior law, someone under age 21 convicted of DUI for a second time received a license suspension for the longer of 45 days or until he or she reached age 21. The act instead subjects these drivers to the same penalties as drivers age 21 or over. This limits the license suspension period to 45 days, eliminating a potentially longer period for some drivers until reaching age 21. As under prior law, the license suspension is followed by three years of IID use. During the first year the person may only drive to and from work, school, an alcohol or drug treatment program, an IID service center, or an appointment with a probation officer.

The act eliminates a separate provision that required DMV to suspend the driver's license of someone under age 18 convicted of DUI until the person reached age 18 if it was a longer period than otherwise required by law.

Under prior law, the DMV commissioner had to allow someone whose license had been suspended for a first or second DUI conviction to operate a vehicle if the person (1) had served the required suspension under the DUI conviction, even if the person had not completed any administrative per se suspension and (2) complied with IID requirements. The act instead specifies that the commissioner must let such a person operate a vehicle if the person has served either of the required suspension periods and complies with IID requirements.

PA 14-233—sHB 5586

Judiciary Committee

Finance, Revenue and Bonding Committee

AN ACT CONCERNING REVISIONS TO VARIOUS STATUTES CONCERNING THE CRIMINAL JUSTICE SYSTEM

SUMMARY: This act makes a number of unrelated changes in criminal justice statutes. Regarding warrants, it:

1. creates a procedure for judges to issue warrants to install tracking devices (such as a GPS) on people or objects as part of a criminal investigation and
2. authorizes judges to issue warrants for records or data of out-of-state corporations or business entities that do business in Connecticut (including entities that provide email or remote computing services to the public).

Among other things, the act:

1. alters the forfeiture procedures for property connected to criminal offenses other than certain drug crimes, allowing (a) forfeiture of proceeds of these crimes and (b) local police departments to receive a portion of any money they seize from October 1, 2014 to June 30, 2016;
2. expands forfeiture provisions for sexual exploitation, human trafficking, and child pornography crimes to cover more property;
3. gives probation officers serving violation of probation warrants the same responsibilities as police officers when arresting someone under a warrant, including allowing them to release someone arrested on a violation of probation warrant;
4. makes a minor change to the crime of 1st degree harassment;
5. increases the penalty for fraudulent use of an ATM;
6. doubles the monetary thresholds for the different penalties that apply to issuing bad checks based on the value of the checks issued, thereby reducing the penalty in some cases;
7. allows a non-veteran to participate in accelerated rehabilitation (AR) a second time under certain circumstances;
8. prohibits a state, municipal, or quasi-public official or employee from participating in AR if charged with 1st degree larceny involving defrauding a public community of more than \$2,000;
9. requires the court to seal a person's file when he or she applies for participation in AR or alcohol or drug dependency treatment program; and
10. allows the Eyewitness Identification Task Force to continue until June 30, 2016 for certain purposes.

EFFECTIVE DATE: October 1, 2014, except for the task force provision, which is effective upon passage.

§ 1 — FORFEITURE OF PROPERTY RELATED TO CRIMES

The act makes a number of changes to the law authorizing forfeiture of property connected to a crime other than most drug crimes. The act's changes make these forfeiture provisions similar to those that apply to property related to drug or trafficking in person crimes.

Property Subject to Forfeiture

The law subjects to forfeiture property possessed, controlled, designed, intended for use, or which is, has been, or may be used, to commit a crime. The act also subjects proceeds of a crime to forfeiture.

Notice

Prior law required the judge issuing the warrant or the arraignment court to notify the property owner and anyone with a recorded mortgage, assignment of lease or rent, lien, or security interest in the property through a summons within 10 days of the seizure. The act instead:

1. allows a prosecutor to petition the court, within 90 days after seizure, for a civil proceeding to forfeit the property;
2. requires the court to identify owners and any others who appear to have an interest in the property; and
3. requires the state to notify owners and interested parties.

Prior law allowed a police officer to serve the notice by leaving it with the person, at his or her usual place of abode, or at the place where the property was seized if the person's address was unknown. The act instead requires the state to provide notice by certified or registered mail.

The act eliminates requirements that the notice describe the property with reasonable certainty; state when, where, and why it was seized; and state the date and place of the hearing.

Hearing

Prior law required the court to hold a hearing between six and 12 days after serving the notice. The act instead requires the hearing to be held at least two weeks after the notice.

It eliminates a provision making parties of those with an interest who appear at the court hearing. The act makes the action an in rem action (an action against property) that is a civil action. As under prior law, the state must prove the material facts by clear and convincing evidence.

Disposition of Property

As under prior law, the court may determine the property is a nuisance and order it destroyed or disposed of to a charitable or educational institution or a government agency or institution. Property may also be sold at public auction. It cannot be destroyed or disposed of in violation of a mortgage, assignment, lien, or security interest.

Previously, all seized money was deposited in the General Fund subject to a bona fide mortgage, assignment of lease or rent, lien, or security interest. The act instead distributes this money according to the following formula for a 21-month period from October 1, 2014 to June 30, 2016:

1. 70% to the law enforcement agency that investigated the crime and seized the funds, with local police departments using any money received for law enforcement activities and the Department of Emergency Services and Public Protection depositing any money received in the General Fund;
2. 20% to the Criminal Injuries Compensation Fund (which provides compensation and restitution to crime victims); and
3. 10% to the Division of Criminal Justice, for deposit in the General Fund.

Beginning July 1, 2016, the act again requires depositing all seized money directly in the General Fund.

Previously, a seized valuable prize became the state's property subject to a mortgage, assignment, lien, or security interest. The act no longer requires it to become state property and thus allows it to be disposed of to other entities. Prior law also allowed a public auction of the prize and depositing proceeds in the General Fund, while preserving the rights of those with property interests in the prize. The act instead allows its sale according to procedures approved by the administrative services commissioner. The act requires (1) using sale proceeds to pay any mortgage, assignment of lease or rent, lien, or security interest and (2) distributing any remaining amount in the manner described above for seized money.

The act makes secondary evidence (evidence about the property rather than the property itself) of property condemned and destroyed under these provisions admissible against the defendant in a prosecution, to the same extent the evidence would have been admissible if the property was not destroyed.

§ 2 — FORFEITURE OF PROPERTY RELATED TO SEXUAL EXPLOITATION, HUMAN TRAFFICKING, AND CHILD PORNOGRAPHY

The act expands the types of property related to sexual exploitation, human trafficking, and child pornography crimes that can be seized and forfeited.

Prior law authorized forfeiture of property (1) derived from the proceeds obtained, directly or indirectly, from any sale or exchange for pecuniary gain from these criminal violations and (2) used or intended for use, in any manner or part, to commit or facilitate the violation of those laws for pecuniary (monetary) gain. The act no longer requires these actions to be

connected to pecuniary gain.

By law, other funds and property are subject to forfeiture if they are (1) money used or intended for use in certain crimes or (2) property constituting the proceeds obtained, directly or indirectly, from these crimes.

By law, these forfeiture procedures relate to property connected with the crimes of:

1. risk of injury to a minor involving sale of a child under age 16;
2. prostitution and 1st, 2nd, and 3rd degree promoting prostitution;
3. using an interactive computer to entice a minor;
4. voyeurism, disseminating voyeuristic material, and employing or promoting a minor in an obscene performance;
5. human trafficking;
6. importing child pornography, and
7. commercial sexual exploitation of a minor.

§ 3 — PROBATION

The act gives a probation officer serving a violation of probation warrant the same responsibilities the law gives a police officer serving most warrants, including violation of probation warrants. Under the act, the probation officer must:

1. advise the subject of the warrant that (a) he or she has the right to counsel and to refuse to make statements and (b) his or her statements may be used as evidence against him or her;
2. interview the subject to obtain information relevant to the terms and conditions of the subject's release, unless the person waives or refuses the interview, and independently verify information when necessary;
3. release the person on a written promise to appear or on posting a bond with conditions set by the officer (conditions may not modify those set by the court), except for those charged with a family violence crime;
4. check the National Crime Information Center criminal information database before setting conditions of release; and
5. immediately notify a bail commissioner or intake, assessment, and referral specialist if the person does not post bail.

§ 4 — 1ST DEGREE HARASSMENT

Under the act, someone who commits 1st degree harassment is deemed to have committed the crime where the harassing communication (1) originated or (2) was received. Previously, the law only deemed the crime to have been committed in both places when the

conduct involved telephone calls, although someone can commit this crime by telephone, telegraph, mail, computer network, or other form of communication. (PA 14-234, § 2, contains an identical provision.) A similar provision already applies to 2nd degree harassment.

By law, 1st degree harassment is a class D felony (see Table on Penalties).

§ 5 — FRAUDULENT USE OF AN ATM

The act increases, from a class C to a class A misdemeanor, the penalty for fraudulently using an ATM (see Table on Penalties). By law, a person commits this crime when he or she knowingly uses an ATM in a fraudulent way to obtain property, with intent to deprive someone of property or appropriate it to someone.

§ 6 — ISSUING A BAD CHECK

By law, the penalty for knowingly issuing bad checks depends on the value of the checks issued. The act doubles the monetary thresholds for the different penalties, as shown in Table 1. Thus, the act reduces the penalty in some cases. For example, under prior law, writing a \$1,500 bad check was a class D felony but under the act it is a class A misdemeanor.

Table 1: Penalties for Issuing a Bad Check

| <i>Penalty</i> | <i>Amount of Bad Check Issued</i> | |
|---------------------|-----------------------------------|-----------------------|
| | <i>Prior Law</i> | <i>Under the Act</i> |
| Class D felony | Over \$1,000 | Over \$2,000 |
| Class A misdemeanor | \$500.01 to \$1,000 | \$1,000.01 to \$2,000 |
| Class B misdemeanor | \$250.01 to \$500 | \$500.01 to \$1000 |
| Class C misdemeanor | \$250 or less | \$500 or less |

§ 7 — AR PROGRAM ELIGIBILITY

By law, a person is eligible for AR if he or she is charged with certain crimes and does not have a prior conviction of a crime or certain motor vehicle violations. Prior law allowed a non-veteran to use the AR program once and a veteran to do so twice. The act allows a non-veteran to use the program a second time if (1) the first time was for a crime or motor vehicle violation punishable by up to one year in prison and (2) it is at least 10 years since the court dismissed the charges after the person successfully completed the program.

By law, a person is ineligible for AR if he or she is charged with any of a number of crimes, including any class A felony, most class B felonies, and class C felonies unless good cause is shown. Prior law allowed someone charged with the class B felony of 1st degree

larceny to participate but prohibited participation if the person used, attempted to use, or threatened to use force as part of the crime. The act additionally prohibits participation if a person is a state, municipal, or quasi-public official or employee charged with 1st degree larceny involving defrauding a public community of more than \$2,000.

By law, the court has discretion to determine whether to allow an eligible defendant to participate and may allow it only if it believes the defendant will probably not offend again.

§§ 9 & 10 — SEARCH WARRANTS, GPS TRACKING, AND OUT-OF-STATE DATA

Tracking Devices

In 2012, the U.S. Supreme Court ruled that installing a GPS device on a car as part of a criminal investigation is a search under the U.S. Constitution's Fourth Amendment. Thus, in most circumstances, police must obtain a warrant from a judge to do so (*U.S. v. Jones*, 132 S.Ct. 945 (2012)).

The act creates a procedure for a judge to issue a warrant to install a tracking device, defined as an electronic or mechanical device that permits tracking a person's or object's movement. As with warrants for documents and other things, a state's attorney, assistant state's attorney, or two credible persons must apply to a judge or judge trial referee for a warrant for a tracking device. The act requires the official or persons to have probable cause to believe that (1) a criminal offense has been, is being, or will be committed and (2) using a tracking device will yield evidence of the offense. The complaint requesting the warrant must identify the person or property the device will be attached to and the property's owner, if known.

As with other warrants, the (1) requesting parties must swear an affidavit before the judge that establishes the grounds for the warrant and this document becomes part of the arrest file, (2) judge issues the warrant if he or she finds the grounds for it or probable cause for such grounds exist, and (3) judge directs the warrant to a police or certain other officers.

Under the act, the warrant must (1) identify the person or property to which it will be attached, (2) state its date and time of issuance and grounds or probable cause for issuance, (3) require the officer to install the device within 10 days, and (4) authorize the device's use and data collection for a reasonable period of up to 30 days after installation. (A judge may extend this period for 30 more days on request for good cause.)

Data and Records

The act allows a judge or judge trial referee to issue a warrant for records or data an out-of-state corporation

or business entity actually or constructively possesses if the entity does business in Connecticut. (This includes entities that provide email or remote computing services to the public.) The act allows serving the warrant on the entity's authorized representative in person or by mail, commercial delivery, fax, or email if there is proof of delivery. If properly served, the act requires the entity to provide the records or data within 14 business days unless the judge or judge trial referee determines a shorter period is necessary or appropriate.

For other requests for records or data, the act specifies that existing law regarding warrants to obtain property applies.

Warrant Procedures

With any type of search warrant, the law requires the applicant to file the application and supporting affidavits with the clerk for the geographical area court where the person who may be arrested would be presented. The act requires the law enforcement agency arresting a person in the matter connected to the search warrant to (1) notify the court clerk of the warrant's return on a chief court administrator-prescribed form and (2) file any applicable uniform arrest report or misdemeanor summons.

For warrants to install tracking devices, the act requires returning the warrant with reasonable promptness consistent with due process, after the authorized tracking period ends. It generally requires giving the person who was tracked or owner of the tracked property a copy of the application and affidavits no more than 10 days after use of the tracking device ends.

The act allows a judge or judge trial referee to order affidavits related to a warrant to install a tracking device withheld under the same circumstances as apply to other warrant affidavits (to protect informants, ongoing investigations, or certain electronic surveillance information). As with other types of warrants, the act:

1. prohibits an order withholding the affidavits from affecting a person's right to obtain them later and
2. does not limit disclosure to an attorney for a person arrested in connection with the warrant unless the court, on a prosecutor's motion within two weeks of arraignment, finds the state's interest in nondisclosure substantially outweighs the defendant's right to disclosure.

The law limits orders withholding the affidavits to two weeks, unless the prosecutor seeks an extension. The act allows an order related to a tracking device warrant to last until two weeks after any extended period authorized by a judge to use the device and collect data.

§ 11 — EYEWITNESS IDENTIFICATION TASK FORCE EXTENSION

The act allows this task force to continue until June 30, 2016 to (1) collect statistics about eyewitness identification procedures conducted by law enforcement agencies, (2) collect and assist in archiving eyewitness identification procedures used by law enforcement agencies in Connecticut, and (3) consider best practices adopted by agencies in other states. The act prohibits task force members and advisors from receiving any compensation for their services.

The law previously charged this task force with studying issues concerning eyewitness identification in criminal investigations.

PA 14-234—sHB 5593

Judiciary Committee
Appropriations Committee
Education Committee

AN ACT CONCERNING DOMESTIC VIOLENCE AND SEXUAL ASSAULT

SUMMARY: This act makes various unrelated changes in laws that relate to family, domestic, and dating violence and other crimes.

With regard to family and domestic violence related laws, the act:

1. adds 2nd degree breach of peace to the crimes that require a family violence designation in certain convicted persons' criminal records,
2. imposes a mandatory two-year minimum sentence for sexual assault in spousal or cohabiting relationships,
3. makes it a crime to maliciously reveal the confidential location of an emergency shelter operated by a domestic violence agency,
4. requires the chief court administrator to ensure that the Judicial Branch's training program includes information on the unique characteristics of family violence crimes, and
5. makes other changes.

The act expands the circumstances under which the court may issue a standing criminal protective order to include situations involving violations against non-family or non-household members.

It also requires local and regional boards of education, as well as the State Department of Education (SDE), to address teen dating violence in schools, in the same way that the law requires them to address bullying. This includes establishing, within available appropriations, a safe school climate plan and resource network to identify, prevent, and educate people about such violence and providing teen dating violence

prevention, identification, and response training to certain school employees.

Lastly, it makes a minor change to the crime of 1st degree harassment.

EFFECTIVE DATE: October 1, 2014, except the provision on standing criminal protective orders is effective January 1, 2015.

§ 1 — CRIMINAL HISTORY RECORDS – FAMILY VIOLENCE CRIMES

The act adds 2nd degree breach of peace, when committed against a family or household member, to the criminal violations that the court must designate as family violence in the person's criminal records. Other such violations, under existing law, include stalking, harassment, assault, sexual assault, disorderly conduct, and violations of restraining and protective orders.

§ 9 — SEXUAL ASSAULT IN SPOUSAL OR COHABITING RELATIONSHIPS

The act requires the court to impose a mandatory two-year minimum sentence for sexual assault in a spousal or cohabiting relationship. By law, such an assault is a class B felony (see Table of Penalties). A person is guilty of this crime if he or she compels his or her spouse or cohabitor to engage in sexual intercourse by the use, or threat, of force that causes the spouse or cohabitor to fear physical injury.

§ 11 — DOMESTIC VIOLENCE EMERGENCY SHELTERS

The act makes it a class A misdemeanor to maliciously publish, disseminate, or otherwise disclose the confidential location of an emergency shelter operated by a domestic violence agency, without the agency's written authorization (see Table of Penalties).

By law, a "domestic violence agency" is any office, shelter, host home, or agency offering assistance to victims of domestic violence through crisis intervention, emergency shelter referral, and medical and legal advocacy, and which meets the Department of Social Services' service provision criteria for such agencies.

§ 10 — JUDICIAL BRANCH TRAINING

The act allows the Judicial Branch to consult with organizations that advocate on behalf of domestic violence victims to ensure that its ongoing family violence training for judges, staff, and guardians ad litem includes training on the unique social and emotional characteristics of family violence crimes.

§ 8 — STANDING CRIMINAL PROTECTIVE ORDERS

The act expands the circumstances under which the court may issue a standing criminal protective order to include situations involving violations against someone who is not a family or household member (see BACKGROUND).

Prior law allowed the court to issue such an order against a person convicted of a crime against a family or household member.

By law, the court may issue a standing criminal protective order against a person convicted of the following offenses, or the attempt or conspiracy to do so, if it believes that the history, character, nature, and circumstances of the criminal conduct of the offender indicate that the order will best serve the interests of the victim and the public:

1. use of physical force in defense of property;
2. 1st and 2nd degree assault;
3. 1st and 2nd degree assault of an elderly, blind, disabled, or pregnant person, or person with intellectual disability;
4. 2nd degree assault with a firearm;
5. 2nd degree assault of an elderly, blind, disabled, or pregnant person, or person with intellectual disability with a firearm;
6. 1st, 2nd, 3rd, and 4th degree sexual assault;
7. 3rd degree sexual assault with a firearm;
8. 1st degree aggravated sexual assault;
9. sexual assault in a spousal or cohabiting relationship;
10. aggravated sexual assault of a minor;
11. 1st, 2nd, and 3rd degree stalking;
12. 1st and 2nd degree harassment;
13. criminal violation of a protective, restraining, or standing criminal protective order; or
14. murder.

The court may also, for good cause, issue a standing criminal protective order against a person convicted of any other crime.

§ 2 — 1ST DEGREE HARASSMENT

Under the act, someone who commits 1st degree harassment can be deemed to have committed the crime where any form of harassing communication either originated or was received. Prior law provided such an option only when the conduct involved telephone calls, although someone can also commit 1st degree harassment through telegraph, mail, computer network, or other form of communication. (PA 14-233, § 4, contains the same provision.)

By law, 1st degree harassment is a class D felony (see Table of Penalties).

§§ 3-7 — TEEN DATING VIOLENCE IN SCHOOLS

§ 3 — *Safe School Climate Definition and Plan Provisions*

The act expands safe school climate laws, which currently address bullying, to include teen dating violence. It defines “teen dating violence” as any act of physical, emotional, or sexual abuse, including stalking, harassing, and threatening, that occurs between two students who are currently in or who have recently been in a dating relationship.

The act requires safe school climate plans to address teen dating violence in schools, in addition to bullying. It also requires the plans’ prevention and intervention strategy for school employees to deal with teen dating violence.

§ 4 — *School Climate Plan Prevention and Intervention Strategy*

The act adds several optional components to the prevention and intervention strategy that each safe school climate plan must have. Under the act, the strategy may include:

1. implementation of a positive behavioral intervention and support process or another evidence-based model approach for preventing teen dating violence;
2. school rules prohibiting teen dating violence and appropriate consequences for those who engage in such violence;
3. adequate adult supervision of outdoor areas, hallways, the lunchroom, and other areas where teen dating violence is likely to occur; and
4. grade-appropriate teen dating violence education and prevention curricula in kindergarten through high school.

Existing law allows inclusion of the above components in the strategy to address bullying.

§ 5 — *Statewide Resource Network*

Existing law requires SDE to establish, within available appropriations, a statewide safe school climate resource network for identifying, preventing, and educating about school bullying in Connecticut. The act adds identifying, preventing, and educating about teen dating violence to the network’s mission and requires the network to make teen dating violence information, training opportunities, and resource material available to schools.

It also requires SDE to consult with the Connecticut Coalition Against Domestic Violence when establishing the network, in addition to the State Education Resource Center, Governor's Prevention Partnership, and Commission on Children, as required under existing law.

§ 6 — *Training for School Employees*

The act requires SDE to provide teen dating violence prevention, identification, and response training to any school employee who (1) does not hold educator certification or (2) is a district safe school climate coordinator, safe school climate specialist, or safe school climate committee member. Existing law requires similar training for bullying (see BACKGROUND).

The training may include:

1. developmentally appropriate strategies (a) to prevent teen dating violence among students both in and outside of school and (b) for immediate and effective interventions to stop teen dating violence;
2. information on the interaction and relationship between students committing acts of teen dating violence, students against whom such acts are directed, and witnesses to such acts; and
3. research findings on teen dating violence, such as information about types of students shown to be at-risk for teen dating violence in schools.

§ 7 — *Granting Immunity*

The act grants civil immunity to the following individuals and groups, when acting in good faith:

1. school employees reporting, investigating, and responding to teen dating violence, when acting within the scope of employment;
2. students, parents, guardians, or others reporting acts of teen dating violence to a school employee; and
3. local or regional boards of education implementing the safe school climate plan and reporting, investigating, and responding to teen dating violence.

The act does not provide immunity to these individuals and groups when their acts or omissions constitute gross misconduct.

Existing law provides parallel immunity provisions for bullying.

BACKGROUND

Family or Household Members

By law, "family or household members" are any of the following people, regardless of age:

1. spouses or former spouses;
2. parents or their children;
3. people related by blood or marriage;
4. people other than those related by blood or marriage who are living, or have lived together;
5. people who have a child in common, regardless of whether they are or have been married or have lived together; and
6. people who are, or have recently been, dating (CGS § 46b-38a).

School Employees Requiring Training

By law, SDE must annually train school employees to prevent, identify, and respond to bullying. These employees include the following individuals employed in public elementary, middle, and high schools who do not hold initial, provisional, or professional educator certificates: (1) teachers, (2) substitute teachers, (3) school administrators, (4) school superintendents, (5) guidance counselors, (6) psychologists, (7) social workers, (8) nurses, (9) physicians, (10) school paraprofessionals, and (11) coaches.

SDE also must annually train any other individual who has regular contact with, or provides services to, or on behalf of, students (CGS § 10-222d(a)(7)).

Safe School Climate Leadership Roles

By law, the following safe school climate leadership positions must be filled for each school year beginning July 1, 2013:

1. district safe school climate coordinator for each school district, chosen by the superintendent of each board of education from among existing school district staff;
2. safe school climate specialist for each school, who is either the principal or the principal's designee; and
3. safe school climate committee, chosen by the principal of each school, that includes at least one student's parent or guardian (CGS § 10-222k).

Related Act

PA 14-232 requires SDE to approve or reject school districts' safe school climate plans.

PA 14-1—SB 32

*Labor and Public Employees Committee
Appropriations Committee*

AN ACT CONCERNING WORKING FAMILIES’ WAGES

SUMMARY: This act increases the state’s minimum hourly wage from \$8.70 to (1) \$9.15 on January 1, 2015, (2) \$9.60 on January 1, 2016, and (3) \$10.10 on January 1, 2017. Prior law increased it to \$9.00 on January 1, 2015.

The act does not change the “tip credit” allowed by law. Thus, it will automatically increase the employer’s share of minimum wages for (1) hotel and wait staff from \$5.69 to \$5.78 in 2015, \$6.07 in 2016, and \$6.38 in 2017 and (2) bartenders from \$7.34 to \$7.46 in 2015, \$7.82 in 2016, and \$8.23 in 2017.

The law also allows employers to pay learners, beginners, and people younger than age 18 at a rate equal to 85% of the minimum wage for their first 200 hours of employment. The act effectively increases the learner’s wage from \$7.40 to \$7.78 in 2015, \$8.16 in 2016, and \$8.59 in 2017.

EFFECTIVE DATE: July 1, 2014

TIP CREDIT

The law provides a “tip credit” to employers of hotel and restaurant staff and bartenders who customarily receive tips. This credit allows employers to count these employees’ tips as a percentage of their minimum wage requirement, thus reducing the employer’s share of the minimum wage, as long as the tips make up the difference. Because the act does not change the tip credit percentage (which, by law, will increase in 2015), its increases in the minimum wage will raise the amount that employers must pay towards their tipped employees’ minimum wage requirements as shown in Tables 1 and 2.

Table 1: Hotel and Restaurant Employees’ Tip Credit

| Year | Minimum Wage | Tip Credit | Employer’s Share |
|---------------------|--------------|------------------------------------|------------------------------|
| 2014 | \$8.70 | 34.6% (\$8.70 x .346 = \$3.01) | \$5.69 (\$8.70 - \$3.01) |
| 2015 (prior law) | \$9.00 | 36.8% (\$9.00 x .368 = \$3.31) | \$5.69 (\$9.00 - \$3.31) |
| 2015 (the act) | \$9.15 | 36.8% (\$9.15 x .368 = \$3.37) | \$5.78 (\$9.15 - \$3.37) |
| 2016 (the act) | \$9.60 | 36.8% (\$9.60 x .368 = \$3.53) | \$6.07 (\$9.60 - \$3.53) |
| 2017 (the act) | \$10.10 | 36.8% (\$10.10 x .368 = \$3.72) | \$6.38 (\$10.10 - \$3.72) |

Table 2: Bartenders’ Tip Credit

| Year | Minimum Wage | Tip Credit | Employer’s Share |
|---------------------|--------------|------------------------------------|------------------------------|
| 2014 | \$8.70 | 15.6% (\$8.70 x .156 = \$1.36) | \$7.34 (\$8.70 - \$1.36) |
| 2015 (prior law) | \$9.00 | 18.5% (\$9.00 x .185 = \$1.66) | \$7.34 (\$9.00 - \$1.66) |
| 2015 (the act) | \$9.15 | 18.5% (\$9.15 x .185 = \$1.69) | \$7.46 (\$9.15 - \$1.69) |
| 2016 (the act) | \$9.60 | 18.5% (\$9.60 x .185 = \$1.78) | \$7.82 (\$9.60 - \$1.78) |
| 2017 (the act) | \$10.10 | 18.5% (\$10.10 x .185 = \$1.87) | \$8.23 (\$10.10 - \$1.87) |

PA 14-9—SB 57

*Labor and Public Employees Committee
Banks Committee*

AN ACT CONCERNING THE DIRECT DEPOSIT OF WAGES

SUMMARY: This act expands the types of deposits that automatically exempt a portion of a judgment debtor’s bank account from bank executions. Existing law requires a bank to leave an account with the lesser of the account’s balance or \$1,000 if, within 30 days before the execution order, the account received electronic direct deposits readily identifiable as certain payments, such as federal veteran’s benefits or Social Security benefits. The act extends the same requirement, and its related notice requirements and limitations, to accounts that received electronic direct deposits readily identifiable as wages within 30 days before the execution order (PA 14-7 lengthens this look-back period to 60 days).

The notice requirements and limitations include (1) allowing a bank to notify the judgment creditor that funds were left in the debtor’s account, (2) requiring a bank to notify the judgment debtor and any other secured parties if any funds are removed, and (3) allowing a bank to reduce the account balance to less than \$1,000 if it is required to do so by law or a court order.

The law also exempts from bank executions the lesser of (1) 75% of a debtor’s disposable weekly earnings or (2) \$348 of his or her weekly wages (i.e., 40 times the higher of the state or federal minimum wage). But, to receive this exemption, the debtor must file an exemption claim with his or her bank and have the claim determined in a Superior Court hearing. The potentially exempted funds are frozen until the court rules on the exemption.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Related Act

PA 14-7, among other things, (1) extends the same automatic exemption to accounts that receive electronic direct deposits readily identifiable as (a) exempt benefits paid by the federal Railroad Retirement Board or Office of Personnel Management or (b) unemployment benefits and (2) lengthens the look-back period to within 60 days of the execution order.

PA 14-42—sSB 64

*Labor and Public Employees Committee
Human Services Committee*

AN ACT CONCERNING THE CONNECTICUT EMPLOYMENT AND TRAINING COMMISSION AND AMENDMENTS TO THE DEPARTMENT OF LABOR STATUTES

SUMMARY: This act makes several changes in the labor statutes. It:

1. changes and expands certain Connecticut Employment and Training Commission (CETC) job placement program reporting requirements,
2. repeals the requirement that the Office of Workforce Competitiveness (OWC) update a self-sufficiency measurement every three years,
3. changes how employment information is exchanged between the Department of Labor (DOL) and the Department of Social Services (DSS),
4. requires DOL to enter into an agreement with the Connecticut Health Insurance Exchange (HIX) for employment information,
5. eliminates the film industry workforce training program, and
6. makes conforming and technical changes (§§ 3, 5, and 6).

EFFECTIVE DATE: Upon passage

§§ 1 & 4 — REPORT CARD ON EMPLOYMENT PLACEMENT PROGRAMS

The act requires CETC to submit a new report to the Office of Policy and Management (OPM) and the legislature every year and changes the due date for an existing CETC annual report.

New Report

The act requires CETC to annually submit a report card for each employment placement program in CETC's annual employment and training program inventory, which the labor commissioner maintains. The report card must identify, for each program, the:

1. cost,
2. number of program participants,
3. number of participants completing the program, and
4. employment placement rates at 13- and 26-week intervals for those completing the program or a statement saying why such measure is not relevant.

CETC must submit the report to OPM and the Education, Higher Education and Workforce Advancement, and Labor committees by October 1, 2014, and every year thereafter.

Existing Report

The act changes, from June 1 to January 31, the date by which CETC must submit (1) an annual plan for coordinating all state employment and training programs and (2) recommendations for policies and procedures to improve program coordination. CETC submits the plan and recommendations to the governor for approval.

The January 31 date coincides with an existing statutory deadline for CETC to submit a progress report on its duties, responsibilities, and goals to the governor and the Appropriations, Education, Labor, and Human Services committees.

§ 2 — REPEAL OF SUFFICIENCY MEASUREMENT UPDATE

The act repeals the requirement that OWC triennially update a self-sufficiency measurement originally developed in 1999 by a private vendor under contract with OPM. It also repeals the requirement that the updated measurement be distributed to all state agencies that counsel people seeking education, training, or employment. The measurement calculates a sufficient income for a person, depending on where he or she lives in the state and the size of the family he or she supports.

§ 7 — NEW EMPLOYEES INFORMATION

The act replaces a biweekly exchange of information between DSS and DOL to check whether any people receiving public assistance have become newly employed, with the requirement that DOL execute memoranda of understanding (MOU) with DSS

and HIX to accomplish a similar exchange of information. It adds supplemental security income (SSI) to the list of programs included in the information exchange.

The act requires DOL to execute separate MOUs with DSS and HIX to establish procedures to furnish wage and claim information from DOL records to help DSS and HIX determine eligibility for:

1. the temporary assistance for needy families (TANF) program;
2. Medicaid;
3. food stamps (presumably supplemental nutrition assistance program, i.e., SNAP);
4. SSI; and
5. other state supplement and state-administered general assistance programs.

The MOUs must contain appropriate confidentiality safeguards regarding the wage and claim information.

Once the MOUs are in place, DOL must furnish the wage and claim information to DSS and any of its agents that perform services associated with HIX, and HIX or any of its agents. Presumably, the claim information refers to unemployment benefit claims that DOL processes.

Prior law required DSS to prepare a biweekly list of people receiving public assistance (TANF, Medicaid, SNAP, state supplement and state-administered general assistance programs) and send it to DOL. DOL had to promptly identify any newly employed person on the DSS list and transmit his or her name, address, and Social Security number to DSS along with the employer's name, address, and state and federal tax registration or identification numbers.

By law, DSS must reimburse DOL for the costs of providing this information and for maintaining a toll-free facsimile number for employers required to report new employee information. The act also requires HIX to reimburse DOL for these costs. It also requires the HIX chief executive officer to enter into a purchase of service agreement with DOL to establish administrative procedures. By law, the DSS commissioner must already do this.

§ 8 — FILM INDUSTRY WORKFORCE TRAINING

The act repeals (1) the law requiring OWC to establish a film industry workforce training program and (2) the requirement for an annual status report on the program.

PA 14-44—sSB 318

*Labor and Public Employees Committee
Government Administration and Elections Committee*

AN ACT CONCERNING ELECTRONIC PREVAILING WAGE NOTICES, INFORMATION AND RECORDS

SUMMARY: This act allows certain records, notices, and certifications required for prevailing wage jobs to be submitted, maintained, or certified electronically. Specifically, it allows:

1. employers to (a) electronically submit their monthly certified payroll records to the state or local contracting agency and (b) keep, maintain, and preserve these payroll records in an electronic format and
2. a state or local contracting agency to electronically (a) notify a contractor that it is terminating the contractor's right to work on the job because of the contractor's, or a subcontractor's, failure to pay the required prevailing wages; (b) notify the labor commissioner that it has terminated such a contractor's right to work on a job; and (c) certify a prevailing wage job's total cost to the labor commissioner.

Prior law required an employer submitting a certified payroll to include an original signed statement indicating that the payroll was correct and the employer had met other requirements. The act removes the requirement for an original statement, thus allowing it to also be submitted electronically.

The act also broadens the circumstances requiring a state or local contracting agency to certify a prevailing wage job's total cost. By law, the agency must do so before awarding a contract subject to prevailing wage requirements. The act additionally requires it to do so before awarding any purchase orders, bid packages, or other designations subject to prevailing wage requirements.

EFFECTIVE DATE: July 1, 2015

BACKGROUND

Prevailing Wage Requirements

The state's prevailing wage law requires contractors on certain state or municipal public works projects to pay prevailing hourly wages to their mechanics, laborers, and other workers. This requirement applies to repair and renovation projects costing \$100,000 or more and new construction projects

costing \$400,000 or more. Contractors on these projects must submit monthly certified payrolls to the contracting state or local agency verifying that they have met the law's requirements.

PA 14-109—SB 221

*Labor and Public Employees Committee
Banks Committee*

AN ACT CONCERNING CREDIT CHECKS AND FINANCIAL INSTITUTIONS

SUMMARY: This act expands the types of employers who can require a credit check of their employees or prospective employees to include mortgage servicing companies and licensed (1) mortgage brokers, (2) mortgage correspondent lenders, and (3) mortgage lenders. Under the act, a “mortgage servicing company” is any person who receives payments for a first mortgage, records the payments, and performs other administrative functions to meet the mortgage holder’s obligations.

Existing law generally prohibits employers from requiring their employees or prospective employees to submit to a credit check unless:

1. the employer is a financial institution, such as a bank, credit union, insurance company, or investment advisor;
2. it is required by law;
3. the employer reasonably believes the employee has violated a law related to the employee’s employment;
4. it is substantially related to the employee’s current or potential position; or
5. the employer has a bona fide purpose for requesting or using the information that is substantially job related and disclosed in writing.

EFFECTIVE DATE: October 1, 2014

PA 14-159—sHB 5453

Labor and Public Employees Committee

AN ACT CONCERNING EMPLOYERS AND HOME CARE WORKERS

SUMMARY: This act allows a “sleep-time” exclusion from overtime pay requirements for certain employees employed by third-party providers (e.g., home care agencies) to provide “companionship services” as defined by federal regulations. In general, “companionship services” means providing fellowship, protection, and limited care for an elderly person or person with an illness, injury, or disability.

Specifically, the act allows such an employee and third-party provider to agree to exclude a regularly scheduled sleep period from the work hours used to determine the employee’s overtime pay if (1) the employee is required to be present at a worksite for at least 24 consecutive hours, (2) adequate on-site sleeping facilities are provided to the employee, and (3) the employee receives at least five hours of sleep time. Thus, under such an agreement, the employee’s sleep time would not be included when determining whether the employee qualified for overtime pay by working more than 40 hours in a week.

The act prohibits excluding more than eight hours per sleep period, even if the scheduled sleep period is longer than eight hours. If the sleep period is interrupted by a work assignment, the interruption must be counted as hours worked. If the employee receives less than five hours of sleep time during the scheduled sleep period, the entire sleep period must be considered hours worked.

EFFECTIVE DATE: January 1, 2015

NEW FEDERAL REGULATIONS

The act specifies that it becomes effective on the effective date of the U.S. Department of Labor’s Final Rule on the Application of the federal Fair Labor Standards Act to Domestic Service, published in the October 1, 2013 Federal Register (January 1, 2015). Current federal regulations do not require overtime pay for any domestic service workers providing companionship services, but the new regulations implemented under the Final Rule will eliminate this “companionship exemption” for third-party providers. Because the state’s overtime law mirrors federal law and regulations regarding domestic workers, the new regulations will similarly expand the range of domestic workers entitled to overtime pay under state law. Consequently, domestic service workers employed by third party providers will be entitled to overtime pay for any hours worked beyond 40 in a week and could include many who work (and sleep) on at least a 24-hour shift at a worksite. While federal regulations allow sleep-time exclusions in such instances, prior state law did not.

PA 14-167—sSB 61

Labor and Public Employees Committee

Public Health Committee

Insurance and Real Estate Committee

**AN ACT CONCERNING WORKERS'
COMPENSATION AND LIABILITY FOR
HOSPITAL AND AMBULATORY SURGICAL
CENTER SERVICES**

SUMMARY: This act changes how prices for workers' compensation-covered services at hospitals and ambulatory surgical centers (ASC) are determined when a hospital or ASC has not otherwise negotiated prices with an injured employee's employer or workers' compensation insurance carrier (the "payor").

It requires the Workers' Compensation Commission chairman, by January 1, 2015, to establish and publish Medicare-based formulas, when available, for determining the prices of such services. In establishing the formulas, the chairman must consult with employers and their insurance carriers, self-insured employers, hospitals, ASCs, third-party reimbursement organizations, and any other entities the commission deems necessary. The chairman must publish the formulas annually on January 1.

Starting 90 days after the chairman publishes the formulas, the act caps the payor's liability for such services at the reimbursement levels listed in the formulas, unless the parties have negotiated differently. If the services are not covered by Medicare (and thus do not have an applicable formula), the chairman must determine the payor's liability in consultation with the above consulting entities.

Prior law required the payor to pay a hospital for its actual costs of treating an injured worker, as determined by a workers' compensation commissioner. The act specifies that this requirement remains effective until the new formulas are implemented. In practice, however, the payor and hospital generally negotiate discounted rates for the hospital's services. If they do not negotiate, a 2012 workers' compensation commissioner's decision requires the payor to pay the hospital's billed charges.

EFFECTIVE DATE: Upon passage

PA 14-19—sHB 5055

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

AN ACT ELIMINATING MUNICIPAL MANDATES

SUMMARY: This act authorizes municipalities to delay a revaluation scheduled to be implemented in the 2013 or 2014 assessment year until, at the latest, the 2015 assessment year (see BACKGROUND). It allows a similar delay for municipalities phasing in assessment increases from an earlier revaluation.

The act: (1) eliminates the requirement that municipalities pay to participate in the Department of Motor Vehicles’ (DMV) delinquent property tax enforcement program and (2) requires municipalities participating in this program to report property tax delinquencies to DMV at least once a month.

The act also eliminates a requirement that municipalities annually report to the Connecticut Siting Council on the location, type, and height of each existing telecommunications towers and existing and proposed antennae subject to local jurisdiction.

EFFECTIVE DATE: Upon passage, except for the Connecticut Siting Council provision, which is effective July 1, 2014, and the DMV provision, which is effective July 1, 2015.

DELAYING REVALUATION OR PHASED-IN REVALUATION

The act allows a municipality, by a vote of its legislative body, to delay a revaluation scheduled to be implemented in the 2013 or 2014 assessment year until, at the latest, the 2015 assessment year. Municipalities opting to delay their 2013 or 2014 revaluations must implement their next revaluation within five years after the date the delayed revaluation takes effect (e.g., if a 2013 assessment year revaluation is delayed until the 2015 assessment year, the next revaluation must occur during or before the 2020 assessment year). The act also allows a municipality in the process of a revaluation phase-in as of July 1, 2014, by a vote of its legislative body, to suspend it until, at the latest, the 2015 assessment year. The existing phase-in schedule for a municipality that adopts a one- or two-year suspension resumes after the suspension at the point where the suspension started.

The act requires the assessor or board of assessors in a municipality that delays a revaluation or suspends a phase-in to prepare a revised grand list that reflects the assessments for the 2012 assessment year, subject only to changes in ownership, new construction, and demolitions. The assessor must send to the affected individual’s last-known address, notice of: (1) any

increase in the valuation of real estate over its 2012 valuation or (2) for new real estate, the valuation that will appear on the 2013 grand list. The individual can appeal the increase or valuation during the next regular session of the board of assessment appeals at which appeals may be heard. The act allows the person or entity authorized by law to prepare rate bills in a municipality to prepare new rate bills.

DELINQUENT PROPERTY TAX ENFORCEMENT PROGRAM

By law, DMV’s delinquent property tax enforcement program prevents people with delinquent motor vehicle or snowmobile property taxes from registering motor vehicles, snowmobiles, all-terrain vehicles, or vessels. The act eliminates the requirement that municipalities pay to participate in the program. Under prior law, participating municipalities had to pay annually their proportionate share, based on population, of the program’s administrative cost.

The act also specifies that municipal tax collectors must notify DMV of delinquent property taxes at least once a month. Under the act, during a month in which a tax collector fails to provide this information, DMV is not required to deny registrations or registration renewals. By law, municipal tax collectors must immediately notify DMV when a taxpayer previously reported as delinquent is no longer delinquent (CGS § 14-33a).

BACKGROUND

Revaluation

The law requires municipalities to tax property based on its fair market value as of October 1 annually. Municipalities begin taxing property based on those values during the next fiscal year. For example, municipalities that revalued property as of October 1, 2012 had to tax it based on those values in the fiscal year beginning July 1, 2013.

Because market values change over time, the law requires municipalities to revalue all property at least once every five years. The law allows municipalities to phase-in some or all of an increase or decrease in a property’s assessed value over a period of up to five years.

PA 14-33—sHB 5057

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

AN ACT CONCERNING THE ASSESSMENT OF HORSES AND PONIES AND FARM MACHINERY AND THE TRANSFER OF LAND CLASSIFIED AS FARM LAND, OPEN SPACE LAND, FOREST LAND AND MARINE HERITAGE LAND

SUMMARY: This act makes procedural changes to the “490 program,” in which eligible farm, forest, open space, and maritime heritage land is assessed for property tax purposes based on its current use, rather than its full market value.

The act also:

1. allows municipalities to exempt all horses and ponies from local property taxes, regardless of their use;
2. expands the mandatory property tax exemption for farm machinery;
3. extends the application deadline for property tax exemptions for farm machinery, horses, and buildings for farmers granted an extension to submit their personal property tax declarations; and
4. makes technical changes.

EFFECTIVE DATE: October 1, 2014, and applicable to assessment years starting on or after that date.

§§ 3-6 — 490 PROGRAM CHANGES

Application Deadline for Forest Land Classification

By law, landowners seeking to have their land classified as forest land under the 490 program must (1) hire certified foresters to determine and report if the land meets state standards and (2) include a copy of the report with their 490 program applications. The act requires the forester’s report to be signed and dated no later than October 1.

The act also repeals a requirement that landowners submit the applications by October 1. The repealed provision conflicted with another statute that requires owners to file the application between September 1 and October 31, unless the town is in a revaluation year, in which case, the application must be filed by December 30 (CGS § 12-107d(f)).

Change of Ownership

The act requires landowners to file a new, rather than a revised, 490 program application with the town assessor whenever any type of land in the program is sold.

Excepted Property Transfers

With some exceptions, the law imposes a conveyance tax on farm, forest, open space, and maritime heritage land in the 490 program that is sold or transferred within 10 years of its classification. The conveyance tax does not apply to certain transfers under the law, including those (1) for no consideration within a family, (2) resulting from a land owner’s death where no consideration was received for the land, or (3) resulting from a foreclosure.

In the case of any transfer not subject to this conveyance tax (i.e., excepted transfers), other than those due to foreclosure, the act specifies that the 10-year period is measured:

1. for open space or maritime heritage land, from the date on which the land received its 490 program classification, and
2. for farm or forest land, from the earlier of the date on which the (a) transferor received title to the land or (b) land received its 490 program classification.

The act also requires individuals who obtain title to land as a result of an excepted transfer to notify the town assessor by completing a form prescribed by the (1) agriculture commissioner, for farm and open space land; (2) state forester, for forest land; or (3) Office of Policy and Management secretary, for maritime heritage land. Landowners who obtain title to classified forest land must also submit a certified forester’s report evaluating the property’s 490 program eligibility, unless such a report was submitted within the 10 years before the transfer.

Deadline for Tax Assessor to Report to Town Clerk

Prior law required tax assessors to annually, by November 30, file with the town clerk a certificate for any land classified under the 490 program. The act extends this deadline to January 31 for any year in which a revaluation of all real property becomes effective.

§§ 1 & 2 — PROPERTY TAX EXEMPTIONS FOR HORSES AND FARM MACHINERY AND BUILDINGS

Horses and Ponies

By law, horses and ponies are considered taxable personal property, subject to certain exemptions. Existing law exempts from the tax (1) horses and ponies used exclusively for farming and (2) the first \$1,000 of assessed value for those used for other purposes. The act allows a municipality, by vote of its legislative body (or in a municipality where the legislative body is a town meeting, by vote of the board of selectmen), to fully

exempt all horses and ponies from property taxes, regardless of their use.

Farm Machinery

Prior law required municipalities to exempt from property taxes farm machinery, other than motor vehicles, valued at up to \$100,000. The act expands this exemption to up to \$100,000 in assessed value, which by law equals 70% of its fair market value. By law, municipalities may grant an additional exemption of \$100,000 of assessed value for such machinery (CGS § 12-91(b)).

To qualify for the farm machinery exemptions, farmers must individually or as a part of a group, partnership, or corporation, derive at least \$15,000 per year in gross sales from the farming operation or have incurred at least \$15,000 in farm-related expenses in the most recent assessment year before the assessment year to which the exemption applies.

Deadline for Applying for Farm Machinery, Horse, and Building Exemptions

By law, farmers must apply annually, by November 1, for property tax exemptions for farm machinery, horses, and buildings. The act extends this deadline for farmers who have been granted a filing extension for their personal property declarations, to the extended deadline set by the assessor.

PA 14-83—sHB 5506

Planning and Development Committee

AN ACT CONCERNING SCRAP METAL SOLD ON BEHALF OF MUNICIPALITIES

SUMMARY: This act prohibits scrap metal processors, junk dealers, or junkyard owners or operators (processors, dealers, or owners) from purchasing or receiving property which they suspect, or have reasonable cause to believe, is municipal property, unless the person delivering the property simultaneously presents a letter authorizing the transaction. The authorization letter must be on municipal letterhead and signed by either the municipal (1) chief executive officer or (2) department head responsible for maintaining the property. Under the act, processors, dealers, or owners must send payment for the property to the municipal official designated in the letter.

The act extends the penalties under existing law for violating scrap metal sales laws to processors, dealers, or owners who violate the act's requirements concerning municipal property. It subjects a violator to the penalties for a (1) Class C misdemeanor for a first

offense, (2) Class B misdemeanor for a second offense, and (3) Class A misdemeanor for a third or subsequent offense (see Table on Penalties).

Even if a seller presents an authorization letter, existing law, unchanged by the act, requires a processor, dealer, or owner to immediately notify and give the municipal law enforcement authority in his or her jurisdiction the name and license plate number of anyone offering to sell a bronze statue, plaque, historical marker, cannon, cannon ball, lamp, lamp post, lighting fixture, architectural artifact, or similar item (CGS § 21-11a(c)).

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Larceny

In addition to penalties under the act, a person is guilty of "larceny by receiving stolen property" if he or she receives, retains, or disposes of stolen property (1) knowing that it has probably been stolen or (2) believing that it has probably been stolen, unless the property is received, retained, or disposed of with the purpose of restoring it to the owner (CGS § 53a-119(8)).

PA 14-96—sHB 5348 (VETOED)

Planning and Development Committee

AN ACT CONCERNING THE CONSIDERATION OF PROPERTY VALUES WHEN DETERMINING ELIGIBILITY FOR A CERTAIN PROPERTY TAX RELIEF PROGRAM

SUMMARY: The law provides a "circuit breaker" property tax credit for certain income-eligible homeowners who are seniors or have disabilities. This act allows municipalities to adopt an ordinance limiting the credit based on the value of the property for which the homeowner is seeking the credit. Under the act, the property's value is determined according to its present true and actual value (i.e., full market value) on the municipality's most recent grand list.

The circuit breaker program entitles senior or disabled homeowners to a property tax credit of up to \$1,250 for married couples and \$1,000 for single persons. An applicant must (1) be age 65 or older or disabled, have a spouse who is age 65 or older, or be at least age 50 and a surviving spouse of someone who at the time of his or her death was eligible for the program; (2) occupy the property as his or her home; and (3) have resided in Connecticut at least one year before applying for benefits. The income limit is adjusted annually. Qualifying 2014 income is \$41,600 for married couples and \$34,100 for single persons (CGS § 12-170aa(c)).

EFFECTIVE DATE: October 1, 2014, and applicable to assessment years starting on and after that date.

PA 14-101—sSB 114

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

AN ACT ESTABLISHING A PROPERTY TAX PROGRAM TO ENCOURAGE THE PRESERVATION OF HISTORIC AGRICULTURAL STRUCTURES

SUMMARY: This act authorizes municipalities to establish, by ordinance, a property tax incentive program to encourage the preservation of certain historic agricultural structures that are at least 75 years old. Under the program, a property owner agrees to offer a municipality a preservation easement for the historic structure for up to 10 years in exchange for a property tax abatement. If the easement is accepted, the owner must maintain the structure in keeping with its historic integrity and character. The act provides a mechanism for terminating easements under specified conditions and authorizes municipalities to penalize property owners who do not comply with their easement agreements.

EFFECTIVE DATE: Upon passage

HISTORIC AGRICULTURAL STRUCTURES

Under the act, “historic agricultural structures” are barns listed on the national or state Register of Historic Places, stone walls, and other structures, including the land necessary for these structures’ function. The structures must be at least 75 years old and currently or formerly used for agricultural purposes. They must also:

1. provide scenic enjoyment to the general public from a public road;
2. be historically important on a local, regional, state, or national level, on their own or as part of an historic district established under state law; or
3. have physical or aesthetic features that contribute to the historic or cultural integrity of a property located on, or eligible for, the national or state Register of Historic Places.

APPLICATION FOR ABATEMENT

A municipality’s legislative body (or if the legislative body is a town meeting, its board of selectmen or town council) must prescribe the abatement application form. The application must include (1) an offer to grant the municipality a preservation easement for the term of the abatement and

(2) a certification by the owner that, during the term of any preservation easement the legislative body accepts, he or she will maintain the structure in keeping with its historic integrity and character.

If the legislative body accepts the easement, it must establish a reduced property tax payment reflecting, in its sole discretion, the value of the public benefit received from the preservation easement. The amount must be fixed for the term of the easement, which may be up to 10 years under the act. Tax abatement terms must begin on the first of January preceding the start of the tax year.

TERMINATING AN EASEMENT

The act requires the legislative body to release the easement at the owner’s request if it determines that the:

1. owner cannot comply with the agreement due to extreme personal hardship or
2. historic agricultural structure has been significantly damaged or destroyed by fire, storm, or any other unforeseen circumstance outside of the owner’s control.

The act authorizes municipalities to penalize property owners who fail to maintain the historic structure in accordance with an easement agreement by levying an early release penalty and terminating the easement.

PA 14-102—SB 115

Planning and Development Committee

AN ACT CONCERNING THE GOVERNANCE OF SPECIAL TAXING DISTRICTS CREATED BY SPECIAL ACT

SUMMARY: This act staggers the terms of Stamford’s Harbor Point and Bridgeport’s Steel Point special taxing district directors.

Prior law required each district’s voters to annually elect five directors, but allowed Stamford’s and Bridgeport’s mayors to appoint one of the directors for their respective districts. The act requires the directors elected by district voters at the first annual meeting after July 1, 2014 to serve staggered one-, two-, three-, or four-year terms. At each annual meeting thereafter, any director elected to fill a vacancy serves a four-year term. The act does not specify term lengths if all five directors are elected by district voters.

EFFECTIVE DATE: July 1, 2014

PA 14-124—HB 5140

*Planning and Development Committee
Finance, Revenue and Bonding Committee*

**AN ACT CONCERNING PROPERTY TAX
RELIEF ON CERTAIN REAL PROPERTY HELD
IN TRUST**

SUMMARY: The law authorizes municipalities to provide property tax relief to qualifying homeowners who are seniors or have disabilities for real property they own and occupy as their principal residence. This act allows them to offer the tax relief to a qualifying resident who occupies, as his or her principal residence, a property held in trust for him or her.

EFFECTIVE DATE: October 1, 2014, and applicable to assessment years starting on or after that date.

BACKGROUND

Local Option Property Tax Relief Program for Senior or Disabled Homeowners

By law, to qualify for the tax relief, the homeowner must have been a taxpayer in the town for at least a year and (1) be at least age 65, (2) have a spouse living with him or her who is at least age 65, (3) be certified by the Social Security Administration as permanently and totally disabled, or (4) be at least age 60 and the surviving spouse of an eligible taxpayer. The homeowner must also meet the municipality's maximum allowable income requirements during the calendar year before the year he or she applies for the tax relief.

The overall amount of tax relief a municipality can provide is limited to no more than 10% of the total value of real property in the municipality in a given year. And the total value of tax relief a homeowner can receive under this and the tax freeze and circuit breaker programs cannot exceed his or her annual tax. The town may put a lien on the property for the amount of the tax relief, and must do so if the relief provided under all these programs combined is more than 75% of the tax owed (CGS § 12-129n).

PA 14-139—sHB 5056

Planning and Development Committee

**AN ACT MAKING TECHNICAL AMENDMENTS
TO CERTAIN STATUTES CONCERNING
MUNICIPALITIES, REGIONAL PLANNING
ORGANIZATIONS AND TAX EXEMPTIONS
AND CONCERNING GROWTH-RELATED
PROJECTS**

SUMMARY: This act raises, from \$100,000 to \$200,000, the threshold at which certain state agency capital projects and grant authorizations are considered growth-related projects and thus must be undertaken in designated priority funding areas. Existing law (1) requires the State Plan of Conservation and Development (C&D) to identify these areas and (2) generally prohibits state agencies, departments, or institutions from providing funding for growth-related projects outside of these areas. By raising this threshold, the act aligns it with the threshold the law sets for state agency actions that must be consistent with the State Plan of C&D (§ 5).

The act subjects state grants of more than \$200,000 to the priority funding area restrictions if the grant is for a project that adds to an existing facility. As under existing law, grants for certain projects and activities, including for maintaining, repairing, or renovating existing facilities, are exempt from the restrictions (§ 5).

The act makes changes to conform with PA 13-247, which eliminates regional planning agencies after January 1, 2015, leaving regional councils of governments (COG) as the only regional planning organizations within the state's planning regions (§§ 1 & 2). It also makes changes to conform with PA 11-61, which repealed state payments in lieu of taxes (PILOTs) for manufacturing machinery and equipment and commercial truck tax exemptions (§ 6).

The act also makes technical changes (§§ 3 & 4).
EFFECTIVE DATE: Upon passage, except for the growth-related project provision, which is effective October 1, 2014, and the COG provisions, which are effective January 1, 2015.

**STATE FUNDING FOR GROWTH-RELATED
PROJECTS**

Project Thresholds

The act raises, from \$100,000 to \$200,000, the threshold at which the following activities are considered growth-related projects:

1. acquiring real property, other than open space for conservation or preservation purposes;
2. developing or improving real property;
3. acquiring public transportation facilities or equipment; and
4. authorizing state grants, with certain exceptions, if the grant application was not pending on July 1, 2006, to (a) acquire, develop, or improve real property or (b) acquire public transportation equipment or facilities.

By law, when the state agency actions described above exceed \$200,000 and are funded by the state or federal government, they must be consistent with the State Plan of C&D (CGS § 16a-31).

PA 14-183—sHB 5581

Planning and Development Committee

AN ACT CONCERNING SEWER ASSESSMENT APPEALS AND THE APPROVAL OF CERTAIN PROPERTY TAX EXEMPTIONS

SUMMARY: This act allows municipalities to adopt ordinances authorizing their boards of assessment appeals to hear appeals of municipal sewer system benefit assessments. Under prior law, anyone contesting a sewer benefit assessment had to appeal directly to the Superior Court.

The act requires owners claiming the property tax exemption for manufacturing or biotechnology machinery and equipment (MME) to annually file a request for the exemption by November 1. Existing law for other machinery and equipment-related tax exemptions allows for filing deadline extensions and retroactive exemption approval. The act extends these provisions to the MME exemption. It also extends to boards of selectmen the authority to grant retroactive exemptions for these property tax exemptions when the local legislative body is a town meeting.

EFFECTIVE DATE: October 1, 2014, and the MME exemption filing requirement is applicable to assessment years starting on or after October 1, 2014.

SEWER BENEFIT ASSESSMENT APPEALS

The act allows municipalities to adopt ordinances authorizing their boards of assessment appeals to hear benefit assessment appeals related to a municipal sewer system. An appeal to the board must be made within 21 days after the assessment is filed in the town clerk's office. The ordinance must specify the process for filing, hearing, and deciding an appeal. Under the act, within 21 days after the board renders its decision, an aggrieved party may appeal the board's decision to the Superior Court under the same process the court must otherwise use for these appeals.

In municipalities that do not adopt such an ordinance, anyone aggrieved by a sewer benefit assessment may appeal to the Superior Court, as under existing law.

CLAIMING THE MME EXEMPTION

The act requires owners claiming the MME exemption to apply to local assessors, on a form they prescribe, by November 1 annually.

Filing Extension

For certain other machinery and equipment-related tax exemptions with November 1 application deadlines, the law allows an assessor or board of assessors to extend the deadline to December 15, if an applicant requests it and pays a late fee. The act extends this provision to also allow extensions for MME exemptions. Unless waived, the late fee is as follows:

| <i>Assessed Value of Property</i> | <i>Fee</i> |
|---|------------|
| \$100,000 or less | \$50 |
| More than \$100,000 but less than \$250,000 | \$150 |
| At least \$250,000 but less than \$500,000 | \$250 |
| \$500,000 or more | \$500 |

Retroactive Exemption

The act also extends to the MME exemption a law allowing a municipality, by vote of its legislative body, to grant certain retroactive machinery and equipment-related exemptions to an applicant who misses both the regular and extended filing deadlines. As is the case for these other exemptions, a municipality may set criteria for granting a retroactive MME exemption, including considering (1) a hardship that may account for the applicant's failure to meet the deadlines and (2) whether the exemption provides a net benefit to the municipality's economic development.

The act additionally specifies that if the legislative body is a town meeting, the board of selectmen can grant the retroactive exemption. This provision is applicable to MME exemptions and exemptions for:

1. (a) manufacturing facilities in distressed municipalities, targeted investment communities, enterprise zones, airport development zones, or other specified areas and (b) certain manufacturing facilities located outside of an enterprise zone but in a targeted investment community (CGS § 12-81(59));
2. machinery and equipment in such facilities (CGS § 12-81(60));
3. machinery and equipment used to upgrade a manufacturing process (CGS § 12-81(70));
4. new or newly acquired machinery and equipment used in manufacturing, recycling, and biotechnology facilities (CGS § 12-81(72)); and
5. certain large commercial trucks (CGS § 12-81(74)).

PA 14-58—sHB 5373 (VETOED)

*Program Review and Investigations Committee
Insurance and Real Estate Committee*

**AN ACT IMPLEMENTING THE
RECOMMENDATIONS OF THE LEGISLATIVE
PROGRAM REVIEW AND INVESTIGATIONS
COMMITTEE CONCERNING THE REPORTING
OF CERTAIN DATA BY MANAGED CARE
ORGANIZATIONS AND HEALTH INSURANCE
COMPANIES TO THE INSURANCE
DEPARTMENT**

SUMMARY: Beginning January 1, 2016, this act adds certain data on substance abuse and mental disorders to the information that (1) managed care organizations (MCOs) and health insurers must report to the insurance commissioner by May 1 annually and (2) the insurance commissioner must publish by October 15 annually in the Consumer Report Card on Health Insurance Carriers in Connecticut.

An MCO that fails to file the required information is subject to a fine of \$100 for each day the report is late (CGS § 38a-478b). The act does not contain a penalty for health insurers who fail to file, but existing law allows the commissioner to fine the insurer up to \$15,000 for violations of the Insurance title (CGS § 38a-2).

The act also requires the Connecticut Health Insurance Exchange (HIX) board of directors, by June 30, 2014 and through March 31, 2016, to report quarterly to the Insurance and Real Estate, Public Health, and Program Review and Investigations committees on the progress HIX has made to have the all-payer claims database (APCD) provide the substance use and mental disorder data that the act requires MCOs and health insurers to report beginning in 2016. The APCD is a database that HIX is developing, to which insurers, HMOs, and other entities must report insurance claims information. The act allows the HIX board to combine this quarterly report with other quarterly reports the law already requires.

EFFECTIVE DATE: Upon passage for the HIX quarterly reporting requirement and January 1, 2016 for the remaining provisions.

MANAGED CARE ORGANIZATIONS

By law, an “MCO” is an insurer, health care center (i.e., HMO), hospital or medical service corporation, or other organization delivering, issuing, renewing, amending, or continuing an individual or group health managed care plan in the state. A “managed care plan” is a product an MCO offers that finances or delivers health care services to plan enrollees through a network of participating providers.

The act requires MCOs to report to the insurance commissioner by May 1 annually, by county, the:

1. estimated prevalence of substance use disorders among covered children (under age 16), young adults (age 16 to 25), and adults (age 26 and older);
2. number and percentage of covered children, young adults, and adults who received covered treatment for a substance use disorder, by level of care provided (e.g., inpatient, outpatient, residential care, and partial hospitalization);
3. median length of covered treatment provided to covered children, young adults, and adults for a substance use disorder, by level of care provided;
4. per-member, per-month claim expenses for covered children, young adults, and adults who received covered treatment for substance use disorders; and
5. number of in-network health care providers who provide substance use disorder treatment, by level of care, and the percentage of such providers accepting new clients under the MCO’s plans.

The act requires the commissioner to include the above information in his annual Consumer Report Card on Health Insurance Carriers in Connecticut.

The act also requires MCOs to report to the commissioner, by May 1 annually, the:

1. number, by licensure type, of health care providers who treat substance use disorders, co-occurring disorders, and mental disorders and who, in the preceding calendar year, (a) applied for in-network status and the percentage accepted and (b) no longer participated in the network;
2. number, by level of care provided, of health care facilities that treat substance use disorders, co-occurring disorders, and mental disorders and that, in the preceding calendar year, (a) applied for in-network status and the percentage accepted and (b) no longer participated in the network; and
3. (a) factors that may negatively affect covered enrollees’ access to substance use disorder treatment, including screening procedures, the supply of health care providers and their capacity limitations, and provider reimbursement rates, and (b) plans and ongoing or completed activities to address those factors.

HEALTH INSURERS

The act requires each health insurer that provides coverage for the diagnosis and treatment of mental or nervous conditions under state law to report certain data

to the insurance commissioner by May 1 annually. That data includes benefit requests, utilization review of benefit requests, adverse determinations, final adverse determinations, and external appeals, for the treatment of substance use disorders, co-occurring disorders, and mental disorders. The information must be grouped by (1) the level of care, (2) category, and (3) age group (i.e., children, young adults, and adults).

The act requires the commissioner to include this information in his annual Consumer Report Card on Health Insurance Carriers in Connecticut for the 15 largest licensed health insurers. Prior law instead required him to include information on the percentage of enrollees receiving mental health services, utilization of mental health and chemical dependence services, inpatient and outpatient admissions, discharge rates, and average lengths of stay.

PA 14-59—sHB 5375

*Program Review and Investigations Committee
Education Committee*

**AN ACT IMPLEMENTING THE
RECOMMENDATIONS OF THE LEGISLATIVE
PROGRAM REVIEW AND INVESTIGATIONS
COMMITTEE ON THE REEMPLOYMENT OF
OLDER WORKERS CONCERNING THE
TECHNICAL HIGH SCHOOL SYSTEM**

SUMMARY: This act requires the Connecticut Technical High School System (CTHSS) superintendent to submit additional student employment information to the Education, Higher Education and Employment Advancement, and Labor committees by November 15 annually, in anticipation of a required meeting. By law, the superintendent, the three committees, and other state officials must meet annually, by November 30, to consider submitted information about CTHSS and its workforce skills program, among other topics.

By law, the superintendent is required to provide information regarding CTHSS graduates' curriculum and employment status. The act expands this to include the following information on graduates or students who complete an approved program of CTHSS study: (1) demographics, such as age and gender; (2) course and program enrollment and completion; (3) employment status; and (4) wages prior to enrolling and after graduation. The act also requires the superintendent to collaborate with the labor commissioner to obtain the required information.

EFFECTIVE DATE: July 1, 2014

PA 14-62—sHB 5378

*Program Review and Investigations Committee
Appropriations Committee*

**AN ACT IMPLEMENTING THE
RECOMMENDATIONS OF THE LEGISLATIVE
PROGRAM REVIEW AND INVESTIGATIONS
COMMITTEE CONCERNING MEDICAID-
FUNDED EMERGENCY DEPARTMENT VISITS**

SUMMARY: The departments of Social Services (DSS), Children and Families (DCF), and Mental Health and Addiction Services (DMHAS) contract with administrative service organizations (ASOs) to administer certain services for Medicaid recipients. This act requires these ASOs to also provide intensive case management (ICM) services that include, among other things, (1) identifying hospital emergency departments (EDs) with high numbers of "frequent users" (i.e., Medicaid clients with 10 or more annual ED visits), (2) creating regional ICM teams to work with ED doctors, and (3) assigning at least one team staff member to participating EDs during hours of highest use.

The act requires certain ASOs to (1) assess primary care and behavioral health providers and (2) encourage Medicaid clients to use these providers. The act additionally requires certain DSS-contracted ASOs to annually report on Medicaid clients' ED use to DSS and the Council on Medical Assistance Program Oversight (MAPOC). The DSS commissioner must use the reports to monitor the ASOs' performance.

The act requires DSS to report on the feasibility of arranging visits by Medicaid clients to primary care providers within 14 days of an ED visit.

Finally, the act requires state-issued Medicaid benefits cards to include the name and contact information for the beneficiary's primary care provider, if he or she has chosen one. (This requirement is effective July 1, 2016, despite an earlier specified deadline.) The act also makes minor and technical changes.

EFFECTIVE DATE: July 1, 2016, except for the DSS reporting provision, which takes effect upon passage.

INTENSIVE CASE MANAGEMENT (ICM)

Contract Requirements

The act requires certain DSS, DCF, and DMHAS contracts with ASOs to provide for ICM services. This requirement applies to (1) DSS contracts with ASOs providing care coordination and other services for Medicaid and HUSKY A and B; (2) DMHAS contracts with ASOs managing mental and behavioral health services; and (3) DSS, DCF, and DMHAS (i.e., the Connecticut Behavioral Health Partnership) contracts

with ASOs managing behavioral health services for Medicaid clients. Prior law allowed, but did not require, DSS to include ICM services in its Medicaid and HUSKY contracts with ASOs. Existing law already requires DSS contracts to include a provision to reduce inappropriate ED use.

Definition and Scope of ICM

Under the act, the ICM services ASOs provide must (1) identify, based on their number of frequent users, EDs that may benefit from the provision of ICM services to those users; (2) create regional ICM teams that work with doctors to identify, create care plans for, and monitor the progress of Medicaid clients who would benefit from ICM; and (3) assign at least one team member to each participating ED when ED use is highest and frequent users visit most.

The act directs the agencies, in consultation with the Office of Policy and Management secretary, to submit their eligible ICM expenditures for Medicaid reimbursement to the Centers for Medicare and Medicaid Services (CMS).

ADDITIONAL ASO REQUIREMENTS

Assessments

Under the act, ASOs contracting with (1) DSS must assess primary care providers and specialists and (2) the Connecticut Behavioral Health Partnership must assess behavioral health providers and specialists. The assessments must determine how easily Medicaid patients may access provider or specialist services by considering waiting times for appointments and whether a provider is accepting new Medicaid clients. ASOs must also (1) inform Medicaid clients of the advantages of receiving care from these providers, (2) help connect them with such providers after they enroll in Medicaid, and (3) help arrange visits with such providers for frequent users after treatment at EDs.

Reporting Requirements

The act requires ASOs that (1) contract with DSS to provide care coordination for Medicaid and HUSKY A and B and (2) have access to complete client claim adjudicated history, to report annually, by February 1, to DSS and MAPOC. The report must include the number of unduplicated Medicaid clients who visited an ED and, for frequent users:

1. the number of visits, grouped into DSS-determined ranges;
2. the reason for the visit, and its time and day;
3. whether the client has a primary care provider, if indicated in hospital records;

4. whether the client had a subsequent appointment with a community provider; and
5. the cost to the hospital and the state Medicaid program of the client's visit.

The DSS commissioner must use these reports to monitor the ASOs' performance. Performance measures must include whether the ASO helps frequent users arrange visits to primary care providers after ED visits. The act requires DSS to monitor contractual reporting requirements for ASOs to ensure reports are completed and disseminated as required.

DSS REPORT

The act requires DSS to report, by December 31, 2014, to the Human Services and Program Review and Investigations committees on the feasibility of arranging visits by Medicaid clients with primary care providers within 14 days after an ED visit.

PA 14-225—sHB 5377

*Program Review and Investigations Committee
Finance, Revenue and Bonding Committee
Labor and Public Employees Committee*

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE ON THE REEMPLOYMENT OF OLDER WORKERS AS THEY RELATE TO THE LABOR DEPARTMENT

SUMMARY: This act creates or expands several initiatives for the state's unemployed workers. It requires the Department of Labor (DOL) to (1) promote the state's apprenticeship programs and (2) convene a working group to determine whether résumé-writing assistance providers at the CTWorks One-Stop Career Centers should be credentialed. The act also creates initiatives specifically for older unemployed workers (those age 50 or older), such as requiring (1) DOL to create a quick-reference guide of the resources available to older unemployed workers and (2) the Connecticut Employment and Training Commission (CETC) to publicize the benefits of hiring and retaining older workers and include programs for them in their planning (see BACKGROUND).

In addition, the act creates several workforce development-related initiatives for the state's higher education system to implement. Among other things, it

1. requires the state Board of Regents for Higher Education (BOR) to study expanding its current manufacturing technology center model to create additional "Centers of Excellence" for other high-demand career areas,

2. requires BOR to establish consistent standards for noncredit vocational courses and programs throughout the state public higher education system, and
3. expands certain higher education accountability measures and report requirements to include noncredit vocational courses and programs.

EFFECTIVE DATE: October 1, 2014 for the provisions on initiatives for the unemployed; July 1, 2014 for the higher education workforce development provisions.

INITIATIVES FOR THE UNEMPLOYED

§ 3 — Apprenticeship Information

The act requires DOL, by January 1, 2015, to develop or approve an annual informational campaign that (1) describes the department's apprenticeship training program, including the opportunities and benefits it could provide for the state's unemployed workers, and (2) addresses common misperceptions about the program. DOL must distribute the informational campaign to the state's Workforce Investment Boards (WIBs), CTWorks One-Stop Career Centers, and similar job centers in the state.

§ 4 — Résumé Working Group

The act requires the labor commissioner, by January 1, 2015, to convene a working group that includes representatives from the WIBs, CTWorks One-Stop Career Centers, and similar job centers in the state. The working group must determine, by July 1, 2015, whether people who provide résumé-writing assistance at the One-Stop Career Centers must have a certified professional résumé writer credential.

§§ 1 & 2 — Older Unemployed Workers

The act requires DOL, by January 1, 2015, to develop or approve a one-page quick-reference guide summarizing (1) the public and private resources available to the state's older unemployed workers and (2) how they can access these resources. Within available resources, DOL must ensure that the resources in the quick-reference guide are accessible through the "2-1-1 Infoline" website (an online database of community resources administered by the United Way of Connecticut).

The act requires CETC to coordinate an electronic state hiring campaign administered through DOL's Internet website. The campaign must encourage the reemployment of older workers and include testimony from employers on the value of hiring and retaining older workers. CETC must submit a report on the campaign's status to the Labor Committee by January 1,

2015.

By law, CETC must annually submit to the governor a plan to coordinate the state's employment and training programs to promote comprehensive, individualized employment and training services. The act requires that this plan also coordinate the programs to promote the reemployment of older workers.

HIGHER EDUCATION WORKFORCE DEVELOPMENT INITIATIVES

§ 5 — Centers of Excellence and Plus 50 Initiative

The law allows UConn, the state universities, and the regional community-technical colleges (CTCs) to create "centers of excellence," which are distinctive instructional, research, or public service programs. The act requires BOR, as part of an academic and facilities master plan, to examine the potential for expanding the manufacturing technology center model to create additional centers of excellence for other high-demand career areas. (Manufacturing centers currently exist at Asnuntuck, Housatonic, Naugatuck Valley, and Quinebaug Valley community colleges.)

The act also requires BOR, within available resources, to implement the "Plus 50 Initiative" model throughout the regional CTC system. This initiative invests in community colleges to create or expand programs that engage learners age 50 and older, with a focus on workforce training and preparing for new careers.

BOR must report to the Higher Education and Employment Advancement and Labor committees on the master plan results and the Plus 50 Initiative's implementation by July 1, 2015.

§ 6 — Noncredit Vocational Courses and Programs

The act requires BOR, by January 1, 2015, to establish consistent standards for noncredit vocational courses and programs to be recognized by each constituent unit of the state public higher education system. The constituent units are UConn, the state universities, regional CTCs, and Charter Oak State College.

§ 7 — Higher Education Coordinating Council (HECC) Accountability Measures

The law requires HECC to develop accountability measures for BOR and each constituent unit to assess their progress toward certain efficiency, economic development, academic, access, and affordability goals. The act expands the factors HECC must consider when developing these measures to include (1) graduates' ages, (2) graduates from noncredit vocational courses

and programs, and (3) the goals adopted by the Planning Commission for Higher Education. By law, the council must also consider factors such as student retention rates, tuition and fees, and financial need, among other things.

The law also requires HECC to report on the employment and earnings of students who leave the constituent units upon graduation or for any other reason. The act expands the report to include students enrolled in noncredit vocational courses and programs. It also requires the report to include information on all students' job retention, employment status, and earnings before enrolling and after completing their courses and programs. Lastly, it requires the reports to be sortable by student age.

§ 8 — Cost and Financial Aid Trend Report

The law requires BOR and the Office of Higher Education to report on (1) regional and national trends in public and private higher education costs and (2) the availability and use of financial aid relative to economic conditions and personal income. The act requires this report to be submitted to the Higher Education and Employment Advancement Committee, instead of the Education Committee. It also limits the financial aid-related reporting requirement to information on financial aid that is available and used for academic and noncredit vocational courses and programs.

BACKGROUND

CTWorks One-Stop Career Centers, WIBs, and CETC

The federal Workforce Investment Act (WIA) requires states receiving federal workforce development grants to have a network of "one-stop" offices to provide core employment-related services and access to other federally funded employment and training services. Connecticut has 17 such offices, known as CTWorks Career Centers, that provide services for businesses and job seekers, including job search and career workshops; business seminars; computer labs and resource libraries; and copying, mailing, and faxing services.

Under WIA, the state's five regional WIBs administer and implement their local one-stop offices' workforce development activities. CETC is the statewide workforce investment board that, among other things, develops a five-year strategic workforce development plan, reports to federal authorities on WIA implementation, and helps monitor the statewide workforce development system.

PA 14-12—sSB 36
Public Health Committee

**AN ACT CONCERNING THE GOVERNOR'S
RECOMMENDATIONS TO IMPROVE ACCESS
TO HEALTH CARE**

SUMMARY: This act allows advanced practice registered nurses (APRNs) who have been licensed and practicing in collaboration with a physician for at least three years to practice independently. (PA 14-231, § 52, requires at least 2,000 hours of such collaborative practice before an APRN can practice independently.) Prior law required APRNs to work in collaboration with a physician, including having a written agreement regarding the APRN's prescriptive authority.

The act potentially broadens prescriptive authority for APRNs with the requisite three years' experience, by allowing them to prescribe all schedule II and III controlled substances. Under prior law, APRNs could only prescribe the schedule II and III controlled substances specified in their collaborative agreement with a physician. (Under existing law and the act, APRNs can also prescribe schedule IV and V controlled substances.)

The act generally requires APRNs, when applying for their annual license renewal, to attest in writing that they have earned at least 50 contact hours of continuing education (CE) in the previous 24 months. The requirement applies to registration periods beginning on and after October 1, 2014. The act exempts from the CE requirement APRNs applying for their first license renewal or who are not actively practicing.

Starting in 2015, the act requires manufacturers of covered drugs, devices, biologicals, and medical supplies to report to the Department of Public Health (DPH) information concerning payments or other transfers of value they make to APRNs. Manufacturers who fail to comply are subject to civil penalties. (PA 14-217, § 75, requires these manufacturers to report to the Department of Consumer Protection (DCP) rather than DPH and extends the initial reporting deadline by six months.)

The act also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2014, except upon passage for the CE provisions and October 1, 2014 for the manufacturers' disclosure provisions.

**§§ 1-3 — APRN COLLABORATION WITH
PHYSICIANS AND INDEPENDENT PRACTICE**

Under the act, the previous requirement for an APRN to work in collaboration with a physician continues to apply for the first three years after the APRN becomes licensed in the state. After that,

collaboration is optional and the APRN can practice independently, as long as he or she has actively practiced as an APRN in collaboration with a physician for at least three years. (PA 14-231, § 52, requires at least 2,000 hours of collaborative practice before an APRN can practice independently and institutes documentation and notice requirements for APRNs seeking to practice without collaborating with a physician.)

By law, collaboration is defined as a mutually agreed upon relationship between an APRN and a physician whose education, training, or experience is related to the APRN's work. The collaboration must address (1) a reasonable and appropriate level of consultation and referral, (2) patient coverage in the APRN's absence, (3) methods to review patient outcomes and disclose the relationship to the patient, and (4) what schedule II and III controlled substances the APRN can prescribe.

Under existing law and the act, nurse anesthetists (one category of APRNs) must work under a physician's direction.

§ 4 — CONTINUING EDUCATION FOR APRNS

Qualifying Activities

Under the act, an APRN's CE must be in his or her practice area and reflect his or her professional needs in order to meet the public's health care needs. It must include at least five contact hours of training or education in pharmacotherapeutics. A contact hour is at least 50 minutes of continuing education and activities. (PA 14-231, § 53, requires the CE to include at least one contact hour of training or education in each of six specified topics.)

Among other things, the CE can include courses, including online courses, offered or approved by the American Nurses Association, Connecticut Hospital Association, Connecticut Nurses Association, Connecticut League for Nursing, a specialty nursing society, or an equivalent organization outside Connecticut. The CE can also include (1) educational offerings sponsored by a hospital or other health care institution or (2) courses offered by a regionally accredited academic institution or a state or local health department.

The act allows the DPH commissioner to waive up to 10 contact hours of CE for an APRN who (1) engages in activities related to his or her service as a member of the state Board of Examiners for Nursing or (2) helps DPH with its duties to its professional boards and commissions.

Recordkeeping

The act requires APRNs to attest on a DPH form their compliance with these CE requirements, when applying to renew their licenses. They also must (1) keep records of attendance or certificates of completion for at least three years after the year they complete the CE activities and (2) submit these to DPH within 45 days of its asking for them.

Exemptions

The act exempts from its CE requirements first-time license renewal applicants and APRNs not engaged in active professional practice.

An APRN who is not practicing must submit a notarized exemption application on a DPH form, plus any other documentation DPH requires, before the license expires. The exemption application must state that the individual may not practice until he or she has met the act's CE requirements. The act specifies that an APRN who is exempt for less than two years must complete 25 contact hours of CE within the 12 months immediately before returning to practice.

Waiver or Extension for Medical Reasons

The act allows the DPH commissioner or her designee to grant a CE waiver or an extension of time for an APRN who has a medical disability or illness. A licensee seeking a waiver or extension must submit (1) an application, on a DPH form; (2) a certification of the disability or illness, by a licensed physician, APRN, or physician assistant; and (3) any other documentation the commissioner may require.

The act allows the commissioner or designee to grant a waiver or extension for up to a single one-year registration period, but they can grant additional waivers or extensions if the disability or illness continues beyond the waiver period and the licensee reapplies to DPH.

License Reinstatement

The act requires an APRN whose license became void due to failure to timely renew it and who is seeking reinstatement to submit evidence documenting successful completion of 25 hours of CE within the year immediately preceding his or her application for reinstatement.

§ 5 — MANUFACTURERS' DISCLOSURE REQUIREMENTS

The act requires manufacturers of covered drugs, devices, biologicals, and medical supplies to report on payments or other transfers of value they make to

APRNs practicing in Connecticut. Under the act, (1) they must report the information to DPH quarterly in the form and manner the commissioner prescribes, (2) the first report is due by January 1, 2015, and (3) the DPH commissioner can publish the information on the department's website. (PA 14-217, § 75, replaces these references to DPH with references to DCP and makes the first report due July 1, 2015.)

The act applies to manufacturers of drugs, devices, biological products, or medical supplies that are covered by (1) Medicare or (2) the state Medicaid or Children's Health Insurance Program plan, including a plan waiver. It applies to such manufacturers operating in the United States (including a territory, possession, or commonwealth) who make such transfers to APRNs practicing in Connecticut. The act does not apply to transfers made indirectly to an APRN through a third party, in connection with an activity or service in which the manufacturer is unaware of the APRN's identity.

Required Reporting

The act requires these manufacturers to report the same information required by federal law to be reported for payments or transfers of value to physicians or teaching hospitals. (The federal law is known as the Physician Payment Sunshine Act.)

In general, this information includes:

1. the recipient's name and business address;
2. the amount and date of the payment or other transfer of value;
3. the form of the payment or transfer (e.g., cash and in-kind items);
4. the nature of the payment or transfer (e.g., consulting fees, gifts, entertainment, and food);
5. if the payment or other transfer is related to marketing, education, or research specific to a covered product, the name of that product; and
6. any other information determined appropriate by the federal Health and Human Services secretary.

Civil Penalty for Noncompliance

Under the act, a manufacturer required to report that fails to do so is subject to a civil penalty of \$1,000 to \$4,000 for each payment or transfer not reported.

BACKGROUND

Related Act

Prior law required DPH, within available appropriations, to collect certain information to create individual public profiles for various health care providers. PA 14-217, § 158, eliminates the "within available appropriations" condition with regard to

collecting information on physicians and APRNs. The act also adds to the profile information (1) whether the practitioner provides primary care services and (2) for an APRN, whether he or she is practicing independently or in collaboration with a physician.

PA 14-15—HB 5146

Public Health Committee

AN ACT CONCERNING THE USE OF PUBLIC SCHOOL HEALTH ASSESSMENT FORMS BY YOUTH CAMPS AND DAY CARE CENTERS

SUMMARY: This act allows licensed youth camps, child day care centers, and group and family day care homes to use a child's required school physical and either his or her (1) public school student health assessment form (referred to as the "blue form") or (2) State Department of Education early childhood health assessment record form to satisfy any physical examination or health status certification they require. It requires that the physical examination be completed within a time the Office of Early Childhood (OEC) commissioner establishes.

The act also requires the OEC commissioner to adopt regulations to allow a child's school health assessment form, in addition to a physical examination, to satisfy a youth camp's health examination or certification requirement. Under prior law, the public health commissioner adopted regulations on youth camp health forms.

EFFECTIVE DATE: July 1, 2014

PA 14-17—HB 5329

Public Health Committee

AN ACT CONCERNING THE DEFINITION OF NATURAL FOOD

SUMMARY: By law, food must meet certain criteria to be advertised, distributed, or sold as "natural." Specifically, the food must not have been (1) treated with preservatives, antibiotics, synthetic additives, or artificial flavoring or coloring or (2) processed in a way that makes it significantly less nutritious. A 2013 law (PA 13-183) also excluded genetically engineered foods from the definition of natural food.

This act delays when that provision takes effect, until the consumer protection (DCP) commissioner recognizes the events that trigger the law's labeling requirement for genetically engineered food (see BACKGROUND). Under the act, until those requirements are met, foods may be advertised, distributed, or sold as "natural" even if they are

genetically engineered, as long as they otherwise qualify as natural.

The act also specifies that this provision only applies to food for humans. Thus, it allows genetically engineered food for animals to be advertised, distributed, or sold as natural even after the labeling requirement takes effect, as long as the food meets existing law's other requirements for natural food.

By law, foods advertised, distributed, or sold as "natural" without meeting the definition of that term are deemed misbranded. A person who misbrands food or sells misbranded food in Connecticut may be subject to criminal penalties. In addition, DCP has the authority to place an embargo on and, in some circumstances, seize misbranded food.

EFFECTIVE DATE: Upon passage

BACKGROUND

Labeling Genetically Engineered Foods

Under PA 13-183, the labeling requirement for certain genetically engineered food goes into effect on the October 1 following the DCP commissioner's recognition of the following:

1. four other states, including one bordering Connecticut, have enacted a mandatory labeling law for genetically engineered foods that is consistent with the act's labeling requirement and
2. the total population of these states located in the northeast region of the country exceeds 20 million, based on 2010 census figures. The northeast region includes the other New England states, New Jersey, New York, and Pennsylvania.

PA 14-119—sSB 418

Public Health Committee

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS CONCERNING MEDICAL SPAS

SUMMARY: This act sets certain requirements and limitations for medical spas (i.e., establishments where cosmetic medical procedures are performed). It:

1. requires medical spas to employ or contract for the services of a physician, physician assistant (PA), or advanced practice registered nurse (APRN) with specified training and experience;
2. requires such a provider to perform an initial physical assessment of a person before he or she can undergo a cosmetic medical procedure at the medical spa;

3. allows only such providers, or registered nurses (RNs), to perform cosmetic medical procedures at medical spas; and
4. requires medical spas to provide information, in various formats, regarding their providers' names and specialties.

The act also requires cosmetic medical procedures at medical spas to be performed in accordance with the statutes pertaining to public health (Title 19a) and professional and occupational licensing (Title 20). Among other things, these statutes prohibit anyone from performing procedures outside of his or her scope of practice.

EFFECTIVE DATE: October 1, 2014

COSMETIC MEDICAL PROCEDURES AT MEDICAL SPAS

Definition

Under the act, a "cosmetic medical procedure" is a procedure directed at improving the person's appearance and that does not meaningfully promote proper body function or prevent or treat illness or disease. These procedures may include cosmetic surgery, hair transplants, cosmetic injections or soft tissue fillers, dermaplaning, dermastamping, dermarolling, dermabrasion that removes cells beyond the stratum corneum, chemical peels using acidic modification solutions exceeding 30% concentration with a pH value lower than 3.0, laser hair removal, laser skin resurfacing, laser treatment of leg veins, sclerotherapy and other laser procedures, intense pulsed light, injection of cosmetic filling agents and neurotoxins (e.g., Botox), and the use of class II medical devices designed to induce deep skin tissue alteration. (The U.S. Food and Drug Administration groups medical devices into three classes, with regulatory control increasing from class I to class III.)

Qualifications of Physicians, PAs, or APRNs

Under the act, a physician, PA, or APRN employed by or under contract with a medical spa must:

1. be licensed in Connecticut,
2. be actively practicing in the state,
3. have education or training in performing cosmetic medical procedures from a higher education institution or professional organization, and
4. have experience performing these procedures.

Provider Information

The act requires medical spas to post notice in a conspicuous place accessible to customers of the names and any specialty of the physicians, PAs, APRNs, or RNs performing cosmetic medical procedures at the spa. This same information must be (1) posted on the spa's website, if it has one, and (2) provided in a written notice to people undergoing procedures at the facility, before the procedure. Any spa advertisements must also contain this information or indicate that it is available on the facility's website and list that address.

PA 14-133—sHB 5144

Public Health Committee
Judiciary Committee

AN ACT CONCERNING ACCESS TO BIRTH CERTIFICATES AND PARENTAL HEALTH INFORMATION FOR ADOPTED PERSONS

SUMMARY: This act requires the Department of Public Health (DPH) to give adopted individuals age 18 or older whose adoptions were finalized on or after October 1, 1983, or their adult children or grandchildren, uncertified copies of the adoptee's original birth certificate on request. This requirement applies starting July 1, 2015, and regardless of the date parental rights were terminated. Prior law barred access to such original birth certificates without a probate court order.

Under the act, people adopted before October 1, 1983, their adult children or grandchildren, or certain relatives of a deceased adoptee can also obtain the original certificate, through a court order. If the birth parents are alive, the court can only issue such an order with their consent, or in certain circumstances, the consent of a legal representative or guardian ad litem (GAL). The act repeals certain procedures related to an adoptee's or other authorized applicant's court petition to access a missing or incompetent biological relative's identifying information.

The act also creates a voluntary procedure for biological parents to complete a Department of Children and Families (DCF) form indicating whether the parent wants to be contacted by his or her adopted adult child or the adoptee's adult children or grandchildren. When issuing an original birth certificate, DPH must provide a notice stating that these completed contact forms, as well as the biological parents' completed health history forms, may be on file with DCF.

The act requires the DPH and DCF commissioners to each report annually to the Public Health Committee, from 2016 through 2021, on specified matters relating to the act's requirements.

It makes conforming changes to the statute on state policy regarding adopted individuals' access to information about their background and related matters (§ 6). It also (1) eliminates the court's option of allowing someone to examine the certificate (as distinct from obtaining a copy of it) and (2) makes other minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2015, except for the annual reporting provisions, which are effective upon passage.

COPIES OF ADOPTEES' ORIGINAL BIRTH CERTIFICATES

§§ 2, 5, & 7 — *Requests by Certain Adult Adoptees or Their Adult Children or Grandchildren*

Under prior law, (1) a probate court order was required in order to examine or obtain an adopted person's original birth certificate and (2) DCF or a child-placing agency could not release information identifying a biological parent without the parent's written consent. If parental rights were terminated before October 1, 1995, certain requirements applied if the other parent could not be located or did not consent.

Starting July 1, 2015, the act creates an exception by allowing adopted individuals age 18 or older whose adoptions were finalized on or after October 1, 1983, or their adult children or grandchildren, to obtain the original birth certificate. DPH must issue an uncertified copy of the original on getting such a request. DPH must note on the copy that the original certificate has been superseded by a replacement. This is the same notation required when a copy of an adopted person's original birth certificate is issued pursuant to a court order (see below).

DPH must provide a notice with the certificate stating that information regarding the birth parents' contact preferences and medical health history forms may be on file with DCF (see below). The notice must be printed on the certificate or attached to it.

The act establishes a \$65 fee for uncertified copies of an adoptee's original birth certificate. Under existing law, the fee for a birth certificate issued by a town registrar is \$15 for a short-form or \$20 for a long-form certificate. The fee for DPH-issued birth certificates is \$30 (§ 5).

§§ 2, 10, & 11 — *Court Orders to Release Original Certificate*

Under prior law, an adoptee or certain other individuals could request a court order for access to the adoptee's original birth certificate. The act allows such

requests from adoptees whose adoptions were finalized before October 1, 1983, or their adult children or grandchildren. It otherwise allows court orders for the release of an adoptee's original birth certificate only if the adoptee is deceased. For a deceased adoptee, only the person's adult descendants, biological parents, or adult biological siblings can request a court order to obtain the certificate.

The act allows these petitions to be filed in the Superior Court, not just probate court as under prior law. The applicant can file the petition in the court where the adoption was finalized. He or she can also file it in the court that appointed a GAL, as is required if the birth parent cannot be located or appears incompetent.

The act removes the prior limitation that the court could grant such an order only if it determined that allowing access to the original certificate would not be detrimental to the public interest or to the welfare of the adopted person, adoptive parents, or biological parents. The act instead requires the court to order DPH to issue the original certificate only if each birth parent named on the certificate (1) consents to the release of his or her identifying information or (2) is deceased.

Under the act, if the court has appointed a GAL as specified above, his or her consent is required to release the certificate. If a birth parent has been declared incompetent, the legal representative's consent is required to release it.

The act specifies that if the court issues such an order, only DPH may issue the certificate, which must be an uncertified copy. Under prior law, either DPH or the appropriate town registrar could issue certified copies following these court orders.

§ 11 — *Repeal of Certain Procedures*

The act repeals provisions setting other procedures for adoptees' or other authorized applicants' court petitions seeking access to identifying information concerning a biological relative when (1) the relative could not be located or was incompetent or (2) DCF or the child-placing agency had not found him or her within 60 days of the request. Among other things, these provisions:

1. required the court to order DCF or the child-placing agency to report whether release of the information would be seriously disruptive to, or endanger the physical or emotional health of, the applicant or person whose identity was being sought and
2. required the court, after a hearing, to order the information released unless the (a) GAL for the person whose identity was being sought did not consent or (b) release would be seriously disruptive or dangerous as specified above.

§ 3 — CONTACT PREFERENCE AND HEALTH HISTORY FORMS

Under the act, DCF must make a contact preference form available to any birth parent who requests it, to indicate the parent's preference regarding contact by (1) his or her birth child who was later adopted, if the child is at least age 18, or (2) such child's adult child or grandchild. When receiving a request for a contact preference form, DCF must also provide the parent with a form on which to record his or her health history information (see BACKGROUND).

On the contact preference form, the parent must indicate whether he or she:

1. would like to be contacted;
2. would like to be contacted, but only through an intermediary he or she designates; or
3. does not want to be contacted.

The act requires DCF to maintain birth parents' completed contact preference forms and health history forms in a confidential file. The department can give copies of the completed forms only to the adult adopted person or his or her adult child or grandchild, upon request. The act exempts completed contact preference forms from disclosure under the Freedom of Information Act. Existing law already exempts completed health history forms from such disclosure (CGS § 1-210(b)(14)).

§ 4 — REPORTING REQUIREMENT

The act requires the DPH and DCF commissioners to each report annually to the Public Health Committee for six years, with the first reports due January 1, 2016, and the final reports due January 1, 2021.

The DPH report must include the annual number of original birth certificates the department issued to adopted adults whose adoptions were finalized on or after October 1, 1983, or their adult children or grandchildren.

The DCF report must include the annual number of contact preference forms and health history forms filed with the department. It also must indicate the number of birth parents choosing each of the three options on the contact preference form (i.e., contact, contact only through intermediary, or no contact).

BACKGROUND

Adoptee Birth Certificates

In most cases, DPH seals the original birth certificate when a court notifies it that a child born in Connecticut has been adopted. It prepares a new certificate substituting the adoptive parents' names for those appearing on the original certificate (CGS § 7-53).

Health History Forms

By law, DCF and child-placing agencies must make reasonable efforts to compile nonidentifying information about the biological parents of a child who is placed or available for adoption. This information may include a health history of the child's parents and blood relatives, on a standardized form (CGS § 45a-746).

PA 14-138—sHB 5145

Public Health Committee

Appropriations Committee

AN ACT CONCERNING VARIOUS REVISIONS TO THE DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES' STATUTES

SUMMARY: This act makes several changes in mental health and addiction services (DMHAS) statutes. Among other things, it:

1. codifies existing practice by allowing DMHAS clients to receive services outside the designated mental health region where they live (§ 3);
2. codifies existing practice by requiring DMHAS, within available appropriations, to assess certain people charged with felonies to determine whether they should be referred for community-based mental health services (§ 4);
3. increases information sharing concerning such arrestees and certain other people in the criminal justice system who may need treatment (§§ 4 & 5);
4. removes term limits for appointed members of the Board of Mental Health and Addiction Services (§ 6); and
5. specifies that all private agencies treating psychiatric disabilities or substance abuse, regardless of whether they are state-funded, must comply with the commissioner's data collection requirements (§ 1, but this section was repealed by PA 14-231).

Section 2 is identical to a provision in PA 14-217 that took effect earlier (upon passage rather than October 1, 2014). This section gives the DMHAS commissioner the authority to permit agencies who distribute housing subsidies on the department's behalf, under the state's permanent supportive housing initiative, to use any unspent money for the same purpose in the following fiscal year.

The act also makes technical changes.

EFFECTIVE DATE: October 1, 2014

§ 4 — PRE-ARRAIGNMENT ASSESSMENT

Existing law requires DMHAS, to the maximum extent possible within available appropriations, to clinically assess certain people charged with misdemeanors, before they are arraigned. The act codifies current practice by also requiring such assessments for people charged with felonies.

As under existing law, DMHAS must conduct these assessments only if the person (1) consents and (2) previously received, or would reasonably benefit from receiving, DMHAS mental health services or substance abuse treatment. The assessment determines whether the person should be referred to community-based mental health services. If DMHAS determines that the person needs services and he or she accepts them, the department must inform the court of the assessment and recommended treatment plan for its consideration in disposing of the case.

For both felony and misdemeanor arrests, the act allows DMHAS to disclose, to the person conducting the assessment, information on whether the arrested person has received DMHAS services.

§ 5 — EXAMINATION FOR ALCOHOL OR DRUG DEPENDENCY

By law, courts can order someone charged with a crime or awaiting sentencing to be examined for alcohol or drug dependency to determine whether the person needs treatment. DMHAS must appoint clinical examiners to conduct these examinations.

The act requires DMHAS to disclose to such examiners information in the department's database concerning the date and location of any treatment the person received for alcohol or drug dependence, so the examiner can request from DMHAS a release of treatment information.

§ 6 — BOARD OF MENTAL HEALTH AND ADDICTION SERVICES

The act removes term limits for the 19 appointed members of the Board of Mental Health and Addiction Services. Under prior law, an appointed member could not serve more than two successive four-year terms in addition to the balance of any unexpired term remaining when he or she was appointed.

By law, the board's duties include, among other things, advising the DMHAS commissioner on department programs, policies, and plans.

§ 1 — DATA COLLECTION

By law, the DHMAS commissioner must specify uniform methods for keeping statistical information for public and private agencies, including a client identifier

system. The act specifies that these methods apply to all public and private agencies that provide care or treatment for psychiatric disabilities or alcohol or drug abuse or dependence, including those that are not state-operated or state-funded.

The act also specifies that the agencies or others involved in such treatment, and not the commissioner, must collect relevant statistical information and make it available. The act requires them to report the information to DMHAS, in the form and manner the commissioner prescribes and upon her request. By law, this information includes the number of people treated, demographic and clinical information, frequency of admission and readmission, frequency and duration of treatment, level of care provided, and discharge and referral information.

(This section was repealed by PA 14-231, § 71.)

BACKGROUND

Related Act

PA 14-46 adds to the agencies with whom DMHAS must collaborate in administering the supportive housing initiative and gives the agencies more discretion in determining eligibility under the program.

PA 14-143—sHB 5328

Public Health Committee

AN ACT CONCERNING ADVISORY AND PLANNING COUNCILS FOR STATE DEVELOPMENTAL SERVICES REGIONS, A CHANGE IN TERMINOLOGY AND THE AUTISM SPECTRUM DISORDER ADVISORY COUNCIL

SUMMARY: This act makes several changes to the Council on Developmental Services, Autism Spectrum Disorder Advisory Council, and advisory and planning councils for state developmental services regions.

It increases, from 13 to 15, the membership of the Council on Developmental Services. The first new member, appointed by the House majority leader, is a person with autism spectrum disorder who is a current or past recipient of services from the Department of Developmental Services' (DDS) Division of Autism Spectrum Disorder Services. The second new member is appointed by the Senate majority leader. Prior law required four council members to be parents or guardians of individuals with an intellectual disability. The act allows other relatives, not just parents or guardians, to serve as members. The act also changes the schedule of council meetings from every other month to six times per year.

The act increases, from 23 to 24, the membership of the Autism Spectrum Disorder Advisory Council to include a physician who treats or diagnoses individuals with autism spectrum disorder. This member is appointed by the governor.

By law, the DDS commissioner must appoint an advisory and planning council for each state developmental services region. The council must consult and advise the regional director on the needs of people with intellectual disability in the region, the annual plan and regional budget, and other matters deemed appropriate. The act allows a council member to serve beyond the statutory limit of two consecutive three-year terms if waiting for the appointment of a successor.

Finally, the act makes minor changes to update terminology used in statutes regarding the provision of developmental disability services.

EFFECTIVE DATE: October 1, 2014

PA 14-148—sHB 5386

Public Health Committee

AN ACT CONCERNING CARE COORDINATION FOR CHRONIC DISEASE

SUMMARY: This act requires the public health (DPH) commissioner to develop and implement a plan to (1) reduce the incidence and effects of chronic disease, (2) improve chronic disease care coordination in Connecticut, and (3) improve outcomes for conditions associated with chronic disease. She must develop the plan (1) within available resources and (2) in consultation with the lieutenant governor or her designee and local and regional health departments.

The plan must address chronic cardiovascular disease, cancer, lupus, stroke, chronic lung disease, diabetes, arthritis or another metabolic disease, and the effects of behavioral health disorders. It must be consistent with (1) DPH's Healthy Connecticut 2020 health improvement plan and (2) the state healthcare innovation plan developed under the State Innovation Model Initiative by the Centers for Medicare and Medicaid Services Innovation Center.

The act also requires the commissioner to report biennially on chronic diseases and the plan's implementation. The report must include several matters, such as a description of the diseases most likely to cause death or disability and recommendations for what health care providers and patients can do to reduce the diseases' incidence and effects.

EFFECTIVE DATE: October 1, 2014

REPORTING REQUIREMENT

The act requires the DPH commissioner, by January 15, 2015 and biennially thereafter, to report to the Public Health Committee on chronic disease and implementing the plan described above. She must do so in consultation with the lieutenant governor or her designee. The commissioner must post the reports on the department's website within 30 days after she submits them. The reports must include:

1. a description of the chronic diseases most likely to cause death or disability, the approximate number of people affected by them, and an assessment of each such disease's financial effect on the state, hospitals, and health care facilities;
2. a description and assessment of programs and actions that DPH and health care providers have implemented to improve chronic disease care coordination and prevent chronic disease;
3. the sources and amount of funding DPH receives to treat people with multiple chronic diseases and to treat or reduce the most prevalent chronic diseases in the state;
4. a description of care coordination between DPH and health care providers to prevent and treat chronic disease; and
5. recommendations on actions health care providers and people with chronic diseases can take to reduce the incidence and effects of these diseases.

BACKGROUND

Chronic Disease

According to the U.S. Department of Health and Human Services, "chronic diseases" are conditions lasting at least a year that require ongoing medical attention, limit activities of daily living, or both.

PA 14-165—sHB 5456

Public Health Committee

AN ACT CONCERNING MANDATORY REPORTING OF ABUSE AND NEGLECT OF INDIVIDUALS WITH AUTISM SPECTRUM DISORDER, THE DEFINITION OF ABUSE, AND THE DEPARTMENT OF DEVELOPMENTAL SERVICES ABUSE AND NEGLECT REGISTRY

SUMMARY: This act creates a process for investigating claims of abuse or neglect of people with autism spectrum disorder. The Office of Protection and Advocacy for Persons with Disabilities (OPA),

Department of Children and Families, and Department of Social Services investigate claims of abuse or neglect (depending on the person's age and needs), but under prior law, certain individuals with autism spectrum disorder were not specifically covered by any investigative process.

The act grants specific authority to the Department of Developmental Services (DDS) to investigate reports of abuse or neglect of individuals ages 18 to 60 with autism spectrum disorder receiving services from DDS's Division of Autism Spectrum Disorder Services (the "division") made against a DDS employee or an employee of any agency, organization, or individual licensed or funded by DDS. By law, DDS has general authority to conduct investigations, but the law provides no process.

By law, certain people, by virtue of their occupations, must report to OPA suspected abuse or neglect of individuals with intellectual disabilities. The act requires any such mandated reporter to also report to OPA suspected abuse or neglect of a person receiving division services or funding. It makes conforming changes that require these mandated reporters to follow the same procedures as when reporting other suspected cases of abuse or neglect. This includes filing a report that indicates their belief that the person they suspect is being abused or neglected receives services or funding from the division, among other things.

The act also expands the definition of abuse, for the purposes of DDS' (1) abuse and neglect registry and (2) investigations to include financial exploitation and psychological, verbal, and sexual abuse. By law, DDS maintains a registry of the names of any person who has been fired from his or her job because of a substantiated abuse complaint against them. These are people who were employed by DDS or an agency, organization, or an individual who DDS licenses or funds.

By law, charitable organizations that recruit volunteers to support programs for people with intellectual disabilities may access the registry to conduct background checks on volunteers. The act extends access for this purpose to charitable organizations supporting programs for people with autism spectrum disorder. As under existing law, these organizations must apply to and get approval from the DDS commissioner before accessing the registry.

Existing law prohibits DDS, and any individual or agency it licenses or funds, from hiring someone who is on the registry or retaining an employee after receiving notice that he or she is on the registry.

EFFECTIVE DATE: October 1, 2014

§§ 1 & 2 — DDS REPORT AND INVESTIGATION PROCESS

Investigation Process

The act establishes the process that DDS must follow when investigating claims of abuse or neglect of people receiving division services.

Under the act, an investigation of suspected abuse or neglect must include a (1) visit to the reportedly abused or neglected person's residence and (2) consultation with people knowledgeable about the facts surrounding the allegation. The act requires all state, local, and private agencies to cooperate with the investigation, including releasing to DDS the individual under investigation's complete records, unless he or she refuses such a release. It is not clear what records can be requested. The act specifies that DDS must keep confidential any records received in this manner.

The act requires DDS to notify the alleged victim's parents or guardian if a report of abuse or neglect is made that DDS determines warrants an investigation, unless the parent or guardian is, or is living with, the alleged perpetrator.

Upon completing the investigation, the DDS commissioner must prepare written findings, including a determination whether abuse or neglect occurred and recommendations on whether protective services are needed. The act does not specify who receives or acts on the recommendations.

The act allows the commissioner to provide additional information about the investigation to the parents or guardian of an allegedly abused individual if he deems the parents or guardian entitled to the information. The act does not specify what the additional information may be or what criteria the commissioner must use to determine whether the parents or guardian are entitled to it.

Upon request, the person filing the original report of suspected abuse or neglect and the OPA director must be notified of the investigation's findings.

Investigative Report Confidentiality

The act exempts both the original abuse and neglect report and the investigative report that includes findings and recommendations from disclosure under the Freedom of Information Act. The act specifies that the name of the person who originally reported the abuse may not be disclosed unless (1) he or she consents or (2) the investigation results in a judicial proceeding.

§§ 5-7 — OPA REPORT AND INVESTIGATION PROCESS

By law, certain people, by virtue of their occupations, must report suspected abuse or neglect of individuals with intellectual disabilities to OPA (see BACKGROUND). The act requires mandated reporters to also report suspected cases of abuse or neglect of individuals receiving division services or funding regardless of whether they have intellectual disabilities. As under existing law, the mandated reporter must (1) report abuse as soon as practicable but within 72 hours after having reasonable cause to suspect or believe there has been abuse or neglect and (2) provide a written follow-up report within five days after the initial report.

The act requires OPA, upon receiving a report of suspected abuse or neglect of an individual receiving division services, to make an initial determination of whether the (1) individual receives services from the division and (2) report warrants investigation. If so, OPA must cause DDS to conduct a prompt and thorough investigation.

The act specifies that an individual receiving division services or funding who chooses to receive treatment by a Christian Science practitioner may not, on that reason alone, require protective services (services necessary to prevent abuse or neglect).

§ 1 — DDS ABUSE AND NEGLECT DEFINITIONS

Under prior law, “abuse” meant a DDS employee (or an employee of any agency, organization, or individual licensed or funded by DDS) willfully (1) inflicted physical pain or injury on any individual receiving services or funding from DDS or (2) deprived the person of services necessary to his or her physical and mental health and safety. The act expands abuse, for the purposes of the abuse and neglect registry and DDS investigations, to include the following behavior inflicted by an employee on such an individual:

1. financial exploitation, which is the theft, misappropriation, or unauthorized or improper use of property, money, or other resources;
2. psychological abuse, which is an act intended to (a) humiliate, intimidate, degrade, or demean; (b) inflict emotional harm or invoke fear; or (c) otherwise negatively impact the person’s mental health;
3. verbal abuse, which is the use of offensive or intimidating language intended to provoke or cause distress; or
4. sexual abuse, which is (a) any sexual contact between an individual, regardless of his or her ability to consent, and an employee or (b) an employee encouraging an individual to engage in sexual activity.

By law, unchanged by the act, “neglect” means an employee’s failure, through action or inaction, to provide an individual receiving DDS services or funding with the services necessary to his or her physical and mental health and safety.

BACKGROUND

Intellectual Disability

OPA generally defines “intellectual disability” as having an IQ score of 69 or below, and takes into account the degree to which an individual fails to meet the standards of personal independence and social responsibility expected for the individual’s age and cultural group.

PA 14-168—sSB 35

Public Health Committee
Appropriations Committee
Judiciary Committee

AN ACT CONCERNING NOTICE OF ACQUISITIONS, JOINT VENTURES, AFFILIATIONS OF GROUP MEDICAL PRACTICES AND HOSPITAL ADMISSIONS, MEDICAL FOUNDATIONS AND CERTIFICATES OF NEED

SUMMARY: This act makes several changes affecting medical group practices, medical foundations, the certificate of need (CON) process for health care facilities, and hospital conversions from nonprofit to for-profit. Specifically, it:

1. requires parties to certain transactions that materially change the business or corporate structure of a medical group practice to notify the attorney general (AG) (§ 1);
2. requires parties to certain transactions involving a hospital, hospital group, or health care provider that are subject to federal antitrust review to (a) notify the AG and (b) upon request, provide him a copy of the information filed with the federal agencies (§ 1);
3. requires the AG to maintain and use any of the above written information he receives in compliance with the Connecticut Antitrust Act (§ 1);
4. requires (a) hospitals and hospital systems with affiliated group practices and (b) unaffiliated group practices with 30 or more physicians to annually report specified information to the AG and Department of Public Health (DPH) (§ 1);

5. allows a for-profit hospital or health system to organize and become a medical foundation member, limits who may serve on a foundation's board of directors, and changes medical foundation reporting requirements (§§ 2 & 3);
6. requires hospital personnel to ask patients, upon admission, whether the patient wants the hospital to notify his or her doctor of the admission (§ 4);
7. requires a CON for the ownership transfer of certain group medical practices to a hospital or specified health care entities, and makes related changes (§§ 5-8);
8. adds to the factors DPH's Office of Health Care Access (OHCA) must consider when reviewing a CON application (§ 7); and
9. for hospital conversions, requires the purchaser and hospital to hold a hearing on the CON determination letter, allows conditions to be placed on the conversion's approval, and changes one factor in the DPH commissioner's consideration of whether to approve the application (§§ 9-11).

The act also makes technical and conforming changes.

EFFECTIVE DATE: Various, see below.

§ 1 — MEDICAL GROUP PRACTICES

Transactions Requiring Notification

The act requires parties engaging in any transaction resulting in a material change to a group practice to notify the AG in writing at least 30 days before the transaction's effective date.

A group practice consists of two or more physicians organized in a partnership, professional corporation, limited liability company, medical foundation, not-for-profit corporation, faculty practice plan, or other similar entity in which:

1. each physician provides substantially the full range of services they normally provide through the joint use of office space, facilities, equipment, or personnel;
2. member physicians provide and bill substantially all of their services in the group practice's name, and payments are treated as group receipts; or
3. the group's overhead expenses and income are distributed by a method determined by group members.

A group practice's business or corporate structure is materially changed if the group practice engages in any of the following transactions with (1) another group practice resulting in a group practice of eight or more

physicians or (2) a hospital, hospital system, captive professional entity, medical foundation, or other entity organized or controlled by the hospital or hospital system:

1. a merger, consolidation, or affiliation;
2. a substantial capital stock, membership or equity interest, property, or asset acquisition;
3. the employment of all or substantially all of the group practice's physicians; or
4. the acquisition of an insolvent group practice.

Under the act, a material change also includes the latter two transactions if they involve entities otherwise affiliated with a hospital or hospital system.

The notification must identify each party and describe the material change as of the notice date, including:

1. a description of the nature of the proposed relationship among the parties;
2. the name and specialty of each physician who (a) is a member of the group practice that is the subject of the transaction and (b) will practice with the resulting group practice, hospital, or other medical entity;
3. the names of the business entities that will provide services following the transaction's effective date, including the address for each location where the services are to be provided;
4. a description of the services to be provided at each location; and
5. the primary service area each location will serve (i.e., the smallest number of zip codes from which the group practice draws at least 75% of its patients).

Transactions Involving Antitrust Review

Under certain circumstances, if an individual doing business in Connecticut files merger, acquisition, or other market concentration information with the Federal Trade Commission (FTC) or Department of Justice (DoJ) in compliance with the Hart-Scott-Rodino Antitrust Improvements Act (15 USC § 18a, HSR Act), the act requires the person to provide the AG written notification of the filing and, if he requests it, a copy of the information. This requirement applies only if a hospital, hospital system, or other health care provider is a party to the merger or acquisition.

Annual Reporting for Hospitals and Certain Group Practices

By December 31, 2014, and annually thereafter, the act requires each (1) hospital or hospital system with an affiliated group practice of any size and (2) unaffiliated group practice with 30 or more physicians to file a written report with the AG and DPH commissioner. The

report must include:

1. the name and specialty of each physician practicing within the group practice;
2. the names of the business entities that provide services as part of the group practice, including the addresses for each location where services are provided;
3. a description of the services provided at each location; and
4. the primary area served by each location.

The act requires hospitals and hospital systems with an affiliated group practice to also include a description of the nature of their relationship with the group practice.

EFFECTIVE DATE: October 1, 2014

§§ 2 & 3 — MEDICAL FOUNDATIONS

For-Profit Entities as Medical Foundation Members

The act allows a for-profit hospital or health system to organize and become a member of a medical foundation to practice medicine and provide health care services through employees or agents who are licensed physicians, chiropractors, podiatrists, or optometrists. Existing law already allows (1) nonprofit hospitals and health systems and (2) medical schools meeting certain criteria to do this.

The act prohibits any hospital, health system, or medical school from becoming a member of more than one medical foundation. By law, a medical foundation must be a nonprofit entity.

Board of Directors

The act prohibits granting the authority to appoint or elect a board member to any person or entity that is not a member of the medical foundation.

It prohibits (1) an employee, (2) a representative, or (3) an individual who owns or controls a for-profit hospital, health system, or medical school from serving on the board of a medical foundation organized by a nonprofit entity and vice versa. It also prohibits an individual from simultaneously serving on the boards of a medical foundation organized by a for-profit and nonprofit entity.

Reporting

The act requires a medical foundation to annually report to OHCA, instead of within 10 business days of OHCA's request, a (1) mission statement and description of the services it provides and (2) description of any significant changes in its services during the preceding year as reported on its most recently filed Internal Revenue Service (IRS) return of organization exempt from income tax form.

The act requires a medical foundation to include in its report to OHCA other financial information required by the IRS form. If the medical foundation is not obligated to file the form, the act requires the foundation to report to OHCA information substantially similar to that required by the IRS form.

The act also requires OHCA to make the above information available to the public and accessible on its website.

EFFECTIVE DATE: Upon passage

§ 4 — NOTIFYING PATIENTS' PHYSICIANS OF HOSPITAL ADMISSIONS

The act requires hospital personnel, when admitting a patient, to promptly ask the patient if he or she wants the hospital to notify the patient's physician of the admission. If the patient chooses such notification, hospital personnel must make reasonable efforts to contact the patient's physician as soon as practicable, but within 24 hours after the request.

EFFECTIVE DATE: October 1, 2014

§ 7 — CON APPLICATION GUIDELINES

Generally, the law requires a health care facility to obtain a CON from OHCA when it proposes to (1) establish new facilities or services, (2) change its ownership, (3) purchase or acquire certain equipment, or (4) terminate certain services.

The act adds to the factors that OHCA must consider when reviewing a CON application, whether the applicant has satisfactorily demonstrated that:

1. the proposal will not negatively impact the diversity of health care providers and patient choice in the region and
2. any consolidation resulting from the proposal will not adversely affect health care costs or access.

By law, OHCA must consider several factors when reviewing a CON application regarding, among other things, health care quality and accessibility, service utilization, public need, and cost effectiveness.

EFFECTIVE DATE: July 1, 2014

§§ 5-8 — CON FOR MEDICAL GROUP PRACTICES

CON Requirement

The act requires a group practice of eight or more full-time equivalent physicians to obtain from OHCA a CON before transferring ownership to any entity other than a physician or physician group, unless the parties signed a sale agreement to transfer ownership on or before September 1, 2014.

Application Review Period

By law, when OHCA determines that it received a completed CON application, it must notify the applicant and post the notice on its website. The act requires OHCA, within 60 days of posting such notice, to review and issue a decision on an application involving a group practice's transfer of ownership, if the transfer offer is made in response to a request for proposal (RFP) or similar voluntary offer for sale (hereafter referred to as a "voluntary transfer of ownership"). For all other CON applications, existing law establishes a 90-day review period. By law, OHCA may extend the review period of any CON application for an additional 60 days, when the applicant requests it or shows good cause.

The act also creates a presumption in favor of approving applications for a group practice's voluntary transfer of ownership.

Public Hearings

By law, OHCA may hold a public hearing on any CON application, and must do so for any properly filed and complete application if three or more people, or an individual representing an entity with five or more people, requests it in writing.

For properly filed and completed CON applications for a group practice's voluntary transfer of ownership, the act instead requires OHCA to hold a public hearing if 25 or more people, or an individual representing 25 or more people, request it in writing. As under existing law, the request must be made within 30 days of OHCA's determination that the application is complete. EFFECTIVE DATE: July 1, 2014

§§ 9-11 — NONPROFIT HOSPITAL CONVERSIONS

By law, a nonprofit hospital needs the approval of the AG and DPH commissioner to transfer a material amount of its assets or operations or to change the control of its operations to a for-profit entity. The act makes changes to the approval process.

Hearing on CON Determination Letter

By law, before completing a transfer, the hospital and prospective purchaser must concurrently submit a CON determination letter to the commissioner and AG, (1) stating the parties' names and addresses; (2) briefly describing the proposed agreement's terms; and (3) estimating the capital expenditure, cost, or value associated with the proposed agreement. The commissioner and AG must review the letter, with the AG determining whether the proposed agreement requires approval under the nonprofit conversion law.

The act requires the purchaser and hospital to hold a hearing on the contents of this letter, no later than 30

days after the commissioner and AG receive it. The hearing must be held in the municipality where the new hospital would be located. At least two weeks before the hearing, the hospital must provide public notification of the hearing in a newspaper for at least three consecutive days. The notice must contain substantially the same information as the letter, and must be provided in a newspaper with substantial circulation in the affected community.

Under the act, the purchaser and hospital must record and transcribe the hearing and make the recording or transcript available to the commissioner, AG, or public upon request.

By law, if the agreement requires the approval of the AG and commissioner, they must hold at least one joint public hearing in the hospital's primary service area before approving or disapproving the agreement (CGS § 19a-486e).

Conditions on Approval

The act specifically allows the commissioner and AG, when approving an application, to place any conditions on their approval that relate to the purposes of the conversion law.

Factors in DPH Commissioner's Determination

By law, the commissioner must deny an application under the nonprofit conversion law unless she makes certain findings.

Under prior law, one such finding was that the affected community would be assured of continued access to affordable health care. Under the act, the health care must be high quality as well as affordable. The act also specifies that the continued access is after accounting for any proposed change impacting hospital staffing.

EFFECTIVE DATE: Upon passage

BACKGROUND

HSR Act Thresholds

The HSR Act requires parties to certain proposed transactions (e.g., mergers, acquisitions, and joint ventures) to file a report with the FTC and DoJ and observe a waiting period before completing the transaction. This allows federal regulators to review the proposal and ensure its compliance with federal antitrust laws. Generally, an HSR filing is required if, due to the transaction, the buyer would acquire or hold: (1) over \$303.4 million worth of the seller's stock or assets or (2) between \$75.9 million and \$303.4 million worth of the seller's stock or assets and meets additional criteria.

By law, the FTC annually updates the filing threshold requirements to reflect changes in the gross national product. The above thresholds took effect February 24, 2014.

Connecticut Attorney General Antitrust Powers

Under the Connecticut Antitrust Act, the AG may investigate a potential monopoly, restraint of trade, or other action intended to reduce competition. In the course of an investigation, the AG may issue subpoenas and other demands for related documents. Violations of the antitrust act carry civil penalties of up to \$1 million.

PA 14-178—sHB 5530
Public Health Committee
Judiciary Committee

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING BULK WATER HAULERS

SUMMARY: Starting October 1, 2014, this act requires bulk water haulers to obtain a biennial Department of Public Health (DPH) license, which costs \$100. "Bulk water hauling" is the transportation of at least 250 gallons of water to a water company or consumer for public drinking water supply purposes. The act permits bulk water hauling only to alleviate a water supply shortage. It prohibits delivering bulk water to any consumer without first notifying his or her water company.

The act requires the DPH commissioner to ensure that any water transported in bulk is fit for human use and consumption. It also authorizes her to adopt implementing regulations.

Under the act, an individual who violates any bulk water hauling laws or regulations is guilty of a class C misdemeanor (see Table on Penalties).

EFFECTIVE DATE: Upon passage

BULK WATER HAULING

Licensure

Applications for a bulk water hauler license must be made on a DPH form and include satisfactory evidence that the applicant is qualified to engage in bulk water hauling.

The act requires the DPH commissioner to establish licensure qualifications and prohibits the department from granting a license to any applicant who has been the subject of professional disciplinary action relating to bulk water hauling in Connecticut or another jurisdiction.

Safety Requirements

Any water transported in bulk must meet the laws and DPH regulations governing water quality, including the physical, radiological, and microbiological standards set for public drinking water.

The act also allows the commissioner to periodically inspect any equipment or material used in connection with bulk water hauling as well as the water supply from which the water originated. She may issue any order necessary to protect the public health. Such orders may not be stayed upon appeal by a licensee.

Enforcement of Noncompliance

The act allows the commissioner to take disciplinary action against a bulk water hauler for (1) fraud or deceit in obtaining or renewing a license or rendering services under a license; (2) negligent, incompetent, or wrongful conduct; or (3) violating any bulk water hauling laws or regulations. Such disciplinary action includes revoking or suspending the person's license, after providing notice and an opportunity for a hearing.

BACKGROUND

Related Act

PA 14-163 requires the Water Planning Council to develop water emergency response plans.

PA 14-180—sHB 5535
Public Health Committee

AN ACT CONCERNING NOTICE OF A PATIENT'S OBSERVATION STATUS

SUMMARY: This act generally requires hospitals to provide patients with oral and written notice when the hospital has placed them in observation status, no later than 24 hours after the placement. The requirement does not apply if the patient was discharged or left the hospital before the end of the 24-hour period.

The act specifies certain information that must be included with the notice and requires the patient or patient's authorized representative to sign the written notice. In general, observation status refers to patients who are being treated in a hospital but are classified as outpatients rather than as admitted to the hospital.

EFFECTIVE DATE: October 1, 2014

HOSPITAL OBSERVATION STATUS NOTICE

Under the act, the required notices concerning a patient's placement in observation status must include a:

1. statement that the patient is not admitted to the hospital but is under observation status;
2. statement that this status may affect coverage under Medicare, Medicaid, or private insurance for (a) hospital services, including medications and pharmaceutical supplies or (b) home or community-based care or care at a skilled nursing facility upon the patient's discharge; and
3. recommendation that the patient contact his or her health insurance provider or the Office of the Healthcare Advocate to better understand the implications of placement in observation status.

The act requires the written notice to be signed and dated by the patient or his or her legal guardian, conservator, or other authorized representative.

PA 14-203—sSB 257

Public Health Committee

AN ACT CONCERNING HEPATITIS C TESTING

SUMMARY: This act generally requires licensed primary care physicians, advanced practice registered nurses, and physician assistants (“primary care providers”) to offer to provide or order a hepatitis C screening or diagnostic test for patients born between 1945 and 1965, when providing services to these patients.

The requirement does not apply when the provider reasonably believes that the patient (1) is being treated for a life-threatening emergency, (2) has previously been offered or received a hepatitis C screening test, or (3) lacks the capacity to consent.

Under the act, a “hepatitis C screening test” is a laboratory test to detect the presence of hepatitis C virus antibodies in the blood. A “hepatitis C diagnostic test” is a laboratory test that detects the presence of the virus in the blood and confirms whether the person whose blood was tested has a hepatitis C virus infection. “Primary care” is family medicine, general pediatrics, primary care, internal medicine, primary care obstetrics, or primary care gynecology, without regard to board certification.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Hepatitis C

According to the U.S. Centers for Disease Control and Prevention, hepatitis C is a blood-borne virus that infects the liver and can cause liver cirrhosis or cancer, liver failure, or death. The disease can be acute or chronic. Acute hepatitis C is less severe, but often develops into chronic hepatitis C. More than 75% of infected adults were born between 1945 and 1965.

PA 14-211—sSB 417

Public Health Committee

AN ACT CONCERNING THE PROVISION OF BEHAVIORAL HEALTH AND SUBSTANCE USE TREATMENT SERVICES BY MULTI-CARE INSTITUTIONS

SUMMARY: This act allows a “multi-care institution” to offer certain health services at locations not listed on its license. It does so by eliminating the requirement that the Department of Public Health (DPH) issue a license only for the premises and persons named in the application. The act also specifies a multi-care institution license application process and allows DPH to adopt regulations to implement its provisions.

The act also specifies that all health care institutions, instead of only home health care agencies and homemaker-home health aide agencies, must obtain a DPH license if they are not otherwise required to be licensed by the state.

EFFECTIVE DATE: October 1, 2014

MULTI-CARE INSTITUTION

Definition

The act defines a multi-care institution as a licensed hospital, psychiatric outpatient clinic for adults, free-standing facility for the care or treatment of substance abusing or dependent people, hospital for psychiatric disabilities, or a general acute care hospital that provides outpatient behavioral health services that (1) has more than one facility or one or more satellite units owned and operated by a single licensee and (2) offers complex patient health care services at each facility or satellite unit. Neither the act nor existing law defines “complex patient health care services.”

Medical Services

The act allows a multi-care institution to provide behavioral health services or substance use disorder treatment services on the premises of more than one facility, at a satellite unit, or at another location acceptable to the patient and consistent with his or her treatment plan. These services may be offered under the terms of its existing license.

Application Process

Under the act, a multi-care institution that intends to offer services at a satellite unit or other location outside of its facilities or satellite units must apply to DPH for approval of the off-site location. The application must be on a form and completed in the manner the commissioner prescribes. Within 45 days of receipt, the commissioner must notify the multi-care institution of her decision to approve or deny the application.

If the location is approved, it must (1) be deemed licensed and (2) comply with the applicable requirements. This allows DPH to, among other things, conduct investigations and take other actions to ensure compliance with applicable licensure laws and regulations.

Regulations

The act allows the commissioner to adopt regulations to carry out the multi-care institution provisions. It also allows the commissioner to implement policies and procedures necessary while in the process of adopting regulations, provided that she prints a notice of intent to adopt regulations in the *Connecticut Law Journal* within 20 days after the date of implementation. The act specifies that policies and procedures implemented in this way are valid until final regulations are adopted.

PA 14-214—SB 438

Public Health Committee

AN ACT CONCERNING A TASK FORCE TO STUDY STROKE AND REPORTING ON HEALTH CARE-ASSOCIATED INFECTIONS

SUMMARY: This act establishes a 12-member task force to study issues related to stroke, specifies its charge, and requires that it report to the Public Health Committee on or before January 15, 2016. The task force terminates on the date it submits the report or January 15, 2016, whichever is later.

The act also (1) expands the scope of the healthcare associated infections report, which the Department of Public Health (DPH) delivers annually to the Public Health Committee and (2) requires DPH to post information regarding these infections on its website.

EFFECTIVE DATE: Upon passage, except for the provision on healthcare associated infections, which takes effect October 1, 2014.

STROKE TASK FORCE

Charge

The act requires the task force to study the:

1. feasibility of adopting a nationally recognized stroke assessment tool;
2. establishment of emergency medical services (EMS) care protocols for assessing, treating, and transporting stroke patients;
3. establishment of a plan to achieve continuous quality improvement in (a) providing stroke patient care and (b) the stroke response system; and
4. feasibility and costs of establishing and maintaining a statewide, hospital stroke designation program administered by DPH.

Membership

The task force members are:

1. two representatives of the American Academy of Neurology, appointed by the House speaker;
2. two representatives of the Stroke Coordinators of Connecticut, appointed by the Senate president pro tempore;
3. two representatives of the Connecticut College of Emergency Physicians, one each appointed by the House and Senate majority leader;
4. one representative of the American Heart Association, appointed by the House minority leader;
5. one representative of the Connecticut Hospital Association, appointed by the Senate minority leader;
6. the DPH commissioner or her designee;
7. two members appointed by the DPH commissioner; and
8. one representative of the EMS Advisory Board, appointed by the governor.

One of the people appointed by the House speaker, Senate president pro tempore, and majority leaders must represent a hospital that is not certified as a stroke center. Appointing authorities must make their appointments by July 13, 2014 and fill any vacancies.

Procedures

The DPH commissioner must schedule and hold the first meeting by August 12, 2014. She must also select a chairperson from among the task force members. The Public Health Committee's administrative staff serves as the task force's administrative staff. Task force members serve without compensation, but may be reimbursed for necessary expenses. The act specifies that a majority of the task force members constitutes a quorum and a majority vote of a quorum is required for any official action.

HEALTHCARE ASSOCIATED INFECTIONS REPORT

By law, DPH must annually report to the Public Health Committee on the information collected through its mandatory reporting system for healthcare associated infections. The act requires the report to include, for each facility, information reported to DPH or the Medicare Hospital Compare program on the number and type of infections, including:

1. central line-associated bloodstream infections,
2. catheter-associated urinary tract infections,
3. surgical site infections,
4. methicillin-resistant *staphylococcus aureus* (MRSA) infections, and
5. *Clostridium difficile* (*C. difficile*) infections.

The act also requires DPH to post information regarding healthcare associated infections on its website to help the public learn about these infections and compare infection rates at Connecticut facilities. Specifically, DPH must include clear and easily accessible links on its homepage to the (1) healthcare associated infection reports and (2) Medicare Hospital Compare website.

PA 14-226—sHB 5528

Public Health Committee

Planning and Development Committee

AN ACT CONCERNING ESSENTIAL PUBLIC HEALTH SERVICES AND THE EUTHANIZATION OF ANIMALS IN A FACILITY SUBJECT TO REGULATION BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

SUMMARY: This act requires municipal health departments, as well as local health districts (1) with populations of 50,000 or more or (2) that serve three or more municipalities, to provide a basic health program as a prerequisite to receiving annual funding from the Department of Public Health (DPH). The program must

be provided within available appropriations and include:

1. monitoring the community's health status to identify and solve problems;
2. investigating and diagnosing health problems and hazards in the community;
3. informing, educating, and empowering people in the community regarding health issues;
4. mobilizing community partnerships and action to identify and solve health problems for people in the community;
5. developing policies and plans that support individual and community health efforts;
6. enforcing laws and regulations to protect health and ensure safety;
7. connecting people to needed health care services when appropriate;
8. assuring a competent public health and personal care workforce;
9. evaluating the effectiveness, accessibility, and quality of personal and population-based health services; and
10. researching to find innovative solutions to health problems.

The act also exempts the euthanization of animals in facilities subject to regulation by the U.S. Department of Agriculture from the law requiring that the euthanization of dogs or cats be performed only by licensed veterinarians in a humane manner. Existing law already exempts animals in facilities subject to regulation by the U.S. Department of Health and Human Services National Institutes of Health Office of Laboratory Animal Welfare.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

State Funding for Municipal Health Departments and Local Health Districts

By law, (1) municipalities with populations of 50,000 or more or (2) local health districts with populations of 50,000 or more, or that serve three or more municipalities, must have a health and budget plan approved by the public health commissioner and appropriate at least \$1 per capita from the annual tax receipts for health services in order to receive annual funding from DPH. Municipal health departments must also employ a full-time health director. DPH contributes \$1.85 and \$1.18 per capita, respectively, to local health districts and municipalities that meet the criteria.

PA 14-231—sHB 5537
Public Health Committee
Judiciary Committee

AN ACT CONCERNING THE DEPARTMENT OF PUBLIC HEALTH'S RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO THE PUBLIC HEALTH STATUTES

SUMMARY: This act makes numerous substantive, minor, and technical changes in Department of Public Health (DPH)-related statutes and programs.

The act changes the definition and regulation of environmental laboratories; expands the type of testing such laboratories may conduct; and allows DPH to impose penalties for violating laboratory laws, regulations, or standards.

The act allows school nurses to access DPH's childhood immunization registry to determine which students are overdue for immunizations. It (1) establishes continuing education requirements for psychologists, (2) expands the DPH commissioner's authority to waive regulatory requirements, and (3) extends the process for voluntary acknowledgements of paternity to include such acknowledgements of adult children.

The act makes several changes to the emergency medical services (EMS) statutes. For example, it (1) adds paramedic intercept services to the list of licensed providers, (2) removes licensing requirements for EMS staffing agencies that do not own EMS vehicles, and (3) requires EMS organizations to file strike contingency plans if they receive notice from their employees' labor organization of an intention to strike.

The act also makes changes affecting outpatient surgical facilities, the office of multicultural health, the DPH commissioner's ability to contract with other states, the Connecticut Tumor Registry, lead abatement fines, burial depth and proximity to homes, nursing facility management services, childhood lead testing, nursing homes, sale of water company land, the DPH commissioner's authority to issue emergency summary orders, funeral homes, Unified School District #3, vaccine administration in hospitals and home health care or homemaker-home health aide agencies, meningitis vaccinations for college students, patient direct access to laboratory test results, medical orders for life-sustaining treatment, the Department of Mental Health and Addiction Services (DMHAS) data collection, and the Department of Developmental Services' residential facility revolving loan fund.

The act also makes changes to several licensed or certified professions, including physicians, opticians, hearing instrument specialists, marital and family therapists, natureopaths, physical therapy assistants, physician assistants, psychologists, professional

counselors, nurses, social workers, hairdressers and cosmetologists, behavior analysts, dental hygienists, radiologic technologists, tattoo technicians, and nuclear medicine technologists. A section-by-section analysis follows.

EFFECTIVE DATE: October 1, 2014, unless otherwise noted below.

§ 1 — OUTPATIENT SURGICAL FACILITIES

The act resolves a statutory conflict regarding certain reporting requirements for outpatient surgical facilities, thus specifying that the facilities are subject to these requirements.

Under these provisions, outpatient surgical facilities must respond to a biennial Office of Health Care Access (OHCA) questionnaire which asks for the (1) facility's name, location, and operating hours; (2) type of facility and services provided; and (3) number of clients, treatments, patient visits, and procedures or scans performed per year. OHCA can also require additional reporting of outpatient data as it deems necessary, beginning no later than July 1, 2015.

§§ 2 & 3 — ACKNOWLEDGEMENTS OF PATERNITY

The act establishes specific requirements for voluntary acknowledgements of paternity of an adult child (age 18 or older). In addition to the existing process, it requires the adult child to provide a notarized affidavit affirming his or her consent to the acknowledgment.

It also creates a specific process for amending an adult child's birth certificate to reflect an acknowledgment of paternity. Under the act, if DPH receives an acknowledgment of paternity involving an adult child, the department must receive a notarized affidavit from him or her before it can amend the certificate to reflect the paternity. In the affidavit, the person must affirm his or her agreement to amend the birth certificate as it relates to the acknowledgment of paternity. The act also prohibits DPH, without a court order, from amending an adult child's birth certificate to reflect a name change.

By law, if DPH receives an acknowledgment of paternity from both of the unwed parents of a child under age 18, the department must (1) amend the child's birth certificate to show that paternity and (2) change the child's name on the birth certificate if doing so is indicated on the acknowledgment of paternity form.

§ 4 — SCHOOL NURSE ACCESS TO IMMUNIZATION REGISTRY

The act gives school nurses access to information in DPH's childhood immunization registry, to allow the

nurses to (1) determine which children in their jurisdiction are overdue for scheduled immunizations and (2) provide outreach to help get them vaccinated. The act grants this access to school nurses who are required to verify students' immunization status in both public and private schools (pre-K to grade 12). It also requires DPH to update its regulations to specify how the information is made available to school nurses.

Local and district health directors already have access to this information for the same purpose.

§ 5 — OFFICE OF HEALTH EQUITY

The act renames the Office of Multicultural Health within DPH as the Office of Health Equity. It specifies that the office's work is focused on population groups with adverse health status or outcomes, and that these groups may be based on race, ethnicity, age, gender, socioeconomic position, immigrant status, sexual minority status, language, disability, homelessness, mental illness, or geographic area of residence. Prior law referred to health differences among ethnic, racial, and cultural populations.

The act also makes various minor and technical changes to the office's statutory responsibility.

§ 6 — BURIAL DEPTH AND PROXIMITY TO DWELLINGS

The act reinstates restrictions on burial depth and burying a body near a dwelling that were repealed in 2012. The act's provisions are substantially similar to those repealed in 2012, except for the authorized penalties.

Thus, the act generally prohibits burying a body within 350 feet of a residential dwelling unless (1) the body is encased in a vault made of concrete or other impermeable material or (2) a public highway intervenes between the burial place and the dwelling. But the restriction does not apply to:

1. cemeteries established on or before November 1, 1911;
2. cemeteries that, when established, were more than 350 feet from any dwelling house; or
3. land adjacent to a cemetery described in (1) or (2) that has been made part of the cemetery, with the DPH commissioner's written approval. (The approval must describe the land in detail and be recorded in the town's land records.)

The act also prohibits burials in which the top of the container is less than (1) one and a half feet below ground for containers made of concrete or other impermeable material or (2) two and a half feet below ground for other containers.

Violations are punishable by a fine of up to \$100 per day.

§ 7 — NURSING FACILITY CORRECTION PLANS

The act allows the DPH commissioner to require a nursing facility licensee and nursing facility management service certificate holder to jointly submit a plan of correction, if she finds a substantial failure to comply with applicable law or regulations.

By law, if a licensed health care institution is found after a DPH inspection to be in noncompliance with state statutes and regulations, it must submit to DPH a written plan of correction with specified information within 10 days of receiving notice of the noncompliance. An institution failing to submit a plan that meets the law's requirements may be subject to disciplinary action.

§§ 8 & 9 — CHILDHOOD LEAD TESTING

Prior law required primary care providers who provided pediatric care, other than hospital emergency departments, to screen children for lead at designated times. The act specifically requires testing rather than screening. It also requires these providers, before the testing occurs, to provide the parent or guardian with educational materials or anticipatory guidance information on lead poisoning prevention in accordance with an existing advisory committee's recommendations.

The act also eliminates the requirement for the DPH commissioner to prepare a quarterly summary of abnormal blood lead level reporting records.

It also makes minor related changes.

§ 10 — ELECTRONIC SIGNATURES FOR MEDICAL RECORDS IN NURSING HOME FACILITIES

The act allows chronic or convalescent nursing homes and rest homes with nursing supervision to use electronic signatures for patient medical records, as long as the facilities have written policies to maintain the signatures' privacy and security.

§§ 11, 16-26, 47, 50, 51, & 72 — EMS

The act makes a series of changes and additions to EMS statutes and related laws, including updates to terminology and many minor and technical changes.

§§ 11 & 47 — Inspection of EMS Vehicles

By law, ambulances and other EMS vehicles must be registered with the Department of Motor Vehicles (DMV). As part of this process, prior law required these vehicles to be inspected every two years by DPH to ensure that they meet safety and equipment standards. (The vehicles are also inspected by the DMV.)

The act updates terminology to refer to ambulances, invalid coaches, and intermediate or paramedic intercept vehicles used by EMS organizations. It exempts motorcycles equipped to handle medical emergencies from the requirement to be inspected every two years in this manner. (These motorcycles remain subject to other safety requirements.)

Instead of DPH inspections, the act allows the inspections to be performed by state or municipal employees, or DMV-licensed motor vehicle repairers or dealers, who are qualified under federal regulations. The act specifies that these inspections must be conducted in accordance with federal regulations. It also requires a record of each inspection to be made in accordance with those regulations.

Federal regulations specify the required components of the inspection of commercial motor vehicles and related recordkeeping (49 CFR §§ 396.17 & 396.21). They also specify inspectors' qualifications (49 CFR §§ 396.19 & 396.25). For example, inspectors must have completed an approved training or certification program or have at least one year of relevant training or experience.

§§ 16-18 & 50 — Paramedic Intercept Services

The act requires paramedic intercept services to be licensed or certified by DPH. It defines them as paramedic treatment services provided by an entity that does not provide the ground ambulance transport.

Under the act, the requirements for paramedic intercept services are generally similar to those in existing law and the act for ambulance services. For example:

1. licensure applicants must show proof of financial responsibility and hold set amounts of insurance;
2. licenses must be renewed annually;
3. DPH must generally hold a hearing to determine the need for the service before granting a permit for new or expanded EMS in any region;
4. DPH can take various forms of disciplinary action against services that fail to maintain standards or violate regulations, after notice and an opportunity to show compliance, and services have the right to appeal adverse decisions;

5. the services must report specified information about their service delivery to DPH on a quarterly basis;
6. the commissioner must (a) establish rates that these services can charge and (b) adopt regulations concerning rate-setting;
7. with certain exceptions, anyone who receives emergency medical treatment or transportation services from a paramedic intercept service is liable for the reasonable and necessary cost of those services, even if the person did not agree or consent to the liability; and
8. certain illegal acts are penalized as class C misdemeanors (see Table on Penalties), such as knowingly making a false statement in a license application.

§§ 16 & 18 — Management Service Organizations; Qualifications of Employees or Contracted Personnel

The act removes DPH's authority to license management service organizations, previously defined as employment organizations that did not own or lease ambulances or other emergency medical vehicles and that provided emergency medical technicians (EMTs) or paramedics to an EMS organization.

Prior law required licensed or certified ambulance services to secure and maintain medical oversight by a sponsor hospital for all their EMS personnel, whether they or a management service employed them. The act instead specifies that all licensed or certified EMS organizations must secure and maintain medical oversight by a sponsor hospital. It requires all such EMS organizations to ensure that:

1. their emergency medical personnel, whether employees or contracted through an employment agency or personnel pool, have the appropriate and valid DPH license or certification and
2. any employment agency or personnel pool from which they obtain personnel meets the law's required general and professional liability insurance limits and that all people working or volunteering for the EMS organization are covered by that insurance.

§ 18 — Services Operated by State Agencies

The act requires DPH to certify ambulance or paramedic intercept services operated and maintained by state agencies, if they show satisfactory proof that they meet the commissioner's minimum standards for training, equipment, and personnel.

Under the act, any ambulance or paramedic intercept service operated and maintained by a state agency on or before October 1, 2014 is deemed licensed

or certified if it notifies DPH's Office of Emergency Medical Services by September 1, 2014, in writing, of its operation and attests to being in compliance with applicable statutes and regulations. If it charges for services, it is deemed licensed; otherwise it is deemed certified.

The act allows an ambulance or paramedic intercept service operated and maintained by a state agency, and that is a primary service area responder (PSAR), to add one emergency vehicle every three years without necessarily having to demonstrate need at a public hearing. A hearing is still required if another PSAR from the same or an adjoining town files a timely written objection with DPH.

The act also specifies that ambulance or paramedic services operated or maintained by state agencies are subject to the same requirements as other such services regarding transport of people in wheelchairs, such as using a device to secure individuals in wheelchairs while transferring them from the ground to the vehicle and vice versa.

§§ 16 & 24 — *Interfacility Transport*

By law, an ambulance used for interfacility critical care transport must meet requirements set forth in regulations for a basic-level ambulance, including requirements on medically necessary supplies and services. The ambulance may be supplemented by certain licensed health care providers who have specified training and certification in advanced life support. The act extends these provisions to transport of patients between all licensed health care institutions, rather than just between hospitals as under prior law.

The act allows licensed general or children's general hospitals to use ground or air ambulance services other than the PSAR for emergency interfacility transports of patients when the:

1. PSAR is not authorized for the level of care the patient needs,
2. PSAR lacks the equipment needed to transport the patient safely, or
3. transport would take the PSAR out of its service area for more than two hours and there is another ambulance service with the appropriate medical authorization level and proper equipment available.

The act gives the patient's attending physician authority to decide when it is necessary to use the PSAR or another ambulance service for an expeditious and medically appropriate transport.

§ 20 — *Emergency Medical Responder Certification by Endorsement*

As is already the case with EMTs and paramedics,

the act allows the DPH commissioner to issue an emergency medical responder (EMR) certification to an applicant who presents satisfactory evidence that he or she:

1. is currently certified in good standing in any New England state, New York, or New Jersey;
2. has completed an initial training program consistent with federal standards; and
3. faces no pending disciplinary action or unresolved complaints.

It also allows the commissioner to issue an EMR certificate to an applicant who presents satisfactory evidence that he or she:

1. is currently certified in good standing by a state that maintains licensing requirements that the commissioner determines are at least equal to Connecticut's,
2. has completed (a) an initial department-approved training program which culminated with a written and practical exam or (b) a program outside the state adhering to national education standards and that includes an examination, and
3. faces no pending disciplinary action or unresolved complaints.

§ 20 — *Temporary EMT Certificate*

Under prior law, the DPH commissioner could issue a temporary EMT certificate to an applicant presenting satisfactory evidence that (1) he or she was certified by DPH as an EMT before becoming a licensed paramedic and (2) his or her EMT certification had expired and paramedic license was void for failure to renew. The act allows the commissioner to issue a temporary certificate if either of these conditions is met.

§ 20 — *EMS Instructor Certification*

The act sets standards in law for the issuance of EMS instructor certificates. It allows the commissioner to issue such a certificate to an applicant who presents:

1. satisfactory evidence that he or she is currently certified as an EMT in good standing;
2. satisfactory documentation, referencing national education standards, regarding his or her qualifications as an EMS instructor;
3. a letter of endorsement signed by two currently certified instructors;
4. documentation of having completed written and practical examinations prescribed by the commissioner; and
5. satisfactory evidence that he or she faces no pending disciplinary action or unresolved complaints.

Existing regulations set certification standards,

which overlap in some respects the act's requirements.

§ 22 — *Scope of Practice*

Existing law specifies that the scope of practice of certified or licensed EMTs, advanced EMTs, and paramedics can include treatment methods not specified in state regulations if they are (1) approved by the Connecticut EMS Medical Advisory Committee and DPH commissioner and (2) administered at the medical control and direction of a sponsor hospital. The act extends these provisions to certified or licensed EMRs and EMS instructors.

§ 25 — *EMS Organization Strikes*

By law, health care institutions must file a strike contingency plan with the DPH commissioner when their employees' union notifies them of its intention to strike. The act adds the same requirement for licensed or certified EMS organizations. It sets similar conditions to those that already apply for nursing homes and residential care homes in this situation. Thus, among other things:

1. the EMS organization must file the plan no later than five days before the scheduled strike,
2. the commissioner can issue a summary order to any EMS organization that fails to file a plan meeting the applicable requirements,
3. a noncomplying organization is subject to a civil penalty of up to \$10,000 per day,
4. the organization can request a hearing to contest the penalty,
5. the commissioner must adopt regulations establishing plan requirements, and
6. the plan is exempt from disclosure under the Freedom of Information Act.

§ 26 — *EMS During Declared State of Emergency*

The act requires the DPH commissioner to develop and implement a "Forward Movement of Patients Plan" for use during governor-declared states of emergency. The plan must address mobilizing state EMS assets to help areas whose local EMS and ordinary mutual aid resources are overwhelmed. The plan must include (1) a procedure for requesting resources; (2) authority to activate the plan; and (3) the typing of resources, resource command and control, and logistical considerations.

The act specifies that when the commissioner authorizes an EMS organization to act under the plan, her established emergency rates apply. These include rates for certified emergency medical service, paramedic intercept service, invalid coach, and temporary transportation needs for specified incidents.

§ 72 — *Policies While Adopting Regulations*

The act repeals a statute (CGS § 19a-179d) that allowed the DPH commissioner to implement policies and procedures concerning training, recertification, and licensure or certification reinstatement of EMRs, EMTs, advanced EMTs, and paramedics, while in the process of adopting these policies and procedures in regulation.

§ 12 — SALE OF CLASS II WATER COMPANY LAND

The act broadens the DPH commissioner's authority to grant permits for the sale, lease, assignment, or change in use of Class II water company land, by allowing her to grant such permits even if the land is not part of a parcel containing Class III land. As under existing law, she can grant such a permit only if certain other conditions apply (e.g., the applicant must demonstrate that the transaction will not have a significant adverse impact on the purity and adequacy of the public drinking water supply).

By law, there are three classes of water company land with different restrictions on the sale or other disposition of each class (CGS § 25-37c). Generally, Class I land is water company property that is closest to a supply source (e.g., within 250 feet of a reservoir). Class II land is other property that is (1) within a watershed or (2) off a watershed but within 150 feet of a reservoir or a stream that flows into a reservoir. Class III land is other unimproved off-watershed land.

§ 13 — EXAMINATION OF NURSING HOME FACILITY PATIENTS

The act requires nursing homes to complete a comprehensive medical history and examination for each patient upon admission, and annually after that. (Federal and state regulations already require this.) The act requires the DPH commissioner to prescribe the medical examination requirements in regulations, including tests and procedures to be performed.

It specifies that a urinalysis, including protein and glucose qualitative determination and microscopic examination, must not be required as part of the post-admission tests at these facilities. Existing DPH regulations require an annual urinalysis for patients in these settings (Conn. Agency Regs. § 19-13-D8t(n)).

§ 14 — EMERGENCY SUMMARY ORDERS

Existing law allows the DPH commissioner to issue a summary order, pending completion of disciplinary proceedings, to the licensee of a home health care agency or homemaker-home health aide agency if she finds that the health, safety, or welfare of a patient necessitates emergency action. The act extends the

commissioner's authority to issue these orders to include all DPH-licensed institutions (e.g., hospitals, nursing homes, outpatient clinics).

As under existing law, the order can:

1. revoke, suspend, or limit the institution's license;
2. prohibit the institution from taking new patients or ending relationships with current patients; and
3. compel compliance with applicable laws or DPH regulations.

Under the act, before the commissioner can issue a summary order revoking or suspending a hospital's license, she must prepare a detailed plan for relocating its inpatients and the provision of comparable services to its outpatients. She must prepare the plan in collaboration with the hospital and at least one health provider from the hospital's geographic area.

§ 15 — AUTHORITY TO WAIVE REGULATIONS

The act allows the DPH commissioner to:

1. waive regulations affecting any DPH-licensed institution if she determines that doing so would not endanger the health, safety, or welfare of any patient or resident;
2. impose waiver conditions assuring patients' or residents' health, safety, and welfare; and
3. revoke the waiver if she finds that health, safety, or welfare has been jeopardized.

She cannot grant a waiver that would lead to a violation of the state fire safety or building code. She can adopt regulations establishing a waiver application procedure.

Existing law already authorizes her to waive physical plant requirements for residential care homes under these same conditions.

§ 27 — ORAL HYGIENE TRAINING FOR NURSING HOME FACILITIES

The act generally requires nursing home facilities to provide training in oral health and oral hygiene techniques to all licensed and registered direct-care staff and nurse's aides who provide direct patient care. They must provide at least one hour of training within the first year after the hiring date and annual training thereafter.

The requirement does not apply to Alzheimer's special care units or programs.

§§ 28 & 49 — INFLUENZA AND PNEUMONIA VACCINES

The act broadens the types of influenza and pneumococcal (pneumonia) vaccines that (1) hospitals and (2) nurses employed by licensed home health care or homemaker-home health aide agencies can

administer to patients without a physician's order. Prior law allowed only the administration of influenza and pneumococcal polysaccharide vaccines. (In practice, health care providers use other vaccine types, such as conjugate vaccines.) Existing law requires hospitals and nurses to administer the vaccines (1) after assessing any contraindications and (2) in accordance with the facility's physician-approved policy.

§§ 29 & 72 — CONNECTICUT TUMOR REGISTRY

Reporting Requirements

By law, the Connecticut Tumor Registry includes reports of all tumors and conditions that are diagnosed or treated in the state for which DPH requires reports. Hospitals, various health care providers, and clinical laboratories (hereafter referred to as "mandated reporters") must provide such reports to DPH for inclusion in the registry.

For health care providers, the act limits the reporting requirement to physicians, chiropractors, naturopaths, podiatrists, nurses, nurse's aides, dentists, dental hygienists, and emergency medical service providers. Prior law extended the reporting requirement to athletic trainers, physical and occupational therapists, alcohol and drug counselors, radiographers and radiologic technologists, midwives, optometrists, opticians, respiratory care practitioners, perfusionists, pharmacists, behavior analysts, psychologists, marital and family therapists, social workers, professional counselors, veterinarians, massage therapists, electrologists, hearing instrument specialists, speech and language pathologists, and audiologists.

Report Content

The act requires that registry reports include, along with other information required by existing law, available information on the patient's occupation and industry. The act requires mandated reporters to annually report to DPH any updated patient information for the duration of the patient's lifetime. Existing law requires the submission of reports within six months after the diagnosis or first treatment of a reportable tumor.

The act also eliminates the requirement that DPH promulgate a list of required data items for inclusion in the registry.

Contracts

The act broadens DPH's contracting authority to include the receipt, storage, holding, or maintenance of data, files, or tissue samples. Prior law allowed DPH to contract only for the storage, holding, and maintenance of tissue samples.

Enforcement

The act eliminates the requirement that hospitals, clinical laboratories, and health care providers report cancer cases to DPH within nine months after the first patient contact. It instead requires mandated reporters to take such action in a timeframe specified by DPH regulations that the act authorizes the commissioner to adopt.

By law, DPH may take certain enforcement actions against a mandated reporter that fails to comply with registry reporting requirements, including (1) assessing a civil penalty or (2) performing registry services for which the hospital, clinical laboratory, or health care provider must reimburse the department. DPH cannot assess such a civil penalty or reimbursement until it provides the mandated reporter with a written notice and gives them the opportunity to respond. The act gives a mandated reporter a minimum, rather than a maximum, of 14 business days to send a written response to DPH.

Regulations

The act eliminates the DPH commissioner's authority to adopt regulations concerning the occupational history of cancer patients, instead authorizing her to adopt regulations to implement the registry. It also eliminates a provision requiring hospital medical records to include the complete occupational history of a patient newly diagnosed with cancer.

§§ 30 & 31 — CONTRACTS WITH OTHER STATES

The act specifically allows the DPH commissioner to:

1. enter into contracts with other states for facilities, services, and programs and
2. solicit and accept from another state any grant of or contract for money, services, or property.

The act also adds other states to the list of entities with which the department may (1) receive, hold, and use real estate and (2) receive, hold, invest, and disburse money, securities, supplies, or equipment to protect and preserve the public health and welfare. The department must (1) do this only for the purpose the other state designates and (2) include in its annual report any property received from another state, the names of its donors, its location and use, and any unexpended balances.

§ 32 — PHYSICIAN CONTINUING EDUCATION WAIVERS

The act allows the DPH commissioner's designee, instead of only the commissioner, to waive up to 10 contact hours of continuing medical education (CME) for a physician who (1) engages in activities related to

his or her service as a member of the Connecticut Medical Examining Board or a medical hearing panel or (2) helps DPH with its duties to its professional boards and commissions. By law, a physician must complete 50 contact hours of CME every two years in order to renew his or her license.

EFFECTIVE DATE: Upon passage

§ 33 — OPTICIAN LICENSURE REQUIREMENTS

The act specifies that the optician apprenticeship required by law may be completed in Connecticut or another state.

By law, an optician must submit to DPH a written application and pass an examination in order to obtain a state license. Before taking the licensure examination, existing law requires an applicant, among other things, to serve as a registered, full-time apprentice for at least four calendar years under a licensed optician's supervision. The applicant must complete at least one year of the apprenticeship within the five years preceding the application date. The act also makes a technical change by deleting an obsolete reference to the Commission of Opticians.

§§ 34-36 — LICENSURE BY ENDORSEMENT FOR CERTAIN MENTAL HEALTH PROFESSIONALS

The act allows an applicant for DPH licensure as a psychologist, professional counselor, or clinical social worker who is licensed or certified in another state or jurisdiction to substitute out-of-state work experience for certain licensure requirements. Specifically, the act allows a:

1. psychologist to substitute two years of licensed or certified work experience for the required one-year of experience;
2. professional counselor to substitute three years of licensed or certified work experience for the required 3,000 hours of post-graduate, supervised experience, which includes at least 100 hours of direct supervision by a specified licensed mental health provider; and
3. clinical social worker, three years of licensed or certified work experience for the required 3,000 hours of post-master's clinical social work experience, which includes at least 100 hours of direct supervision by a licensed clinical or certified independent social worker.

The DPH commissioner may allow such substitutions for professional counselors and clinical social workers only if she finds the applicant's work experience to be equal to or greater than the department's licensure requirements.

§ 37 — HAIRDRESSING AND COSMETOLOGY LICENSURE

By law, hairdressers and cosmeticians must be licensed by DPH under one licensure category. The act requires initial licensure applicants to successfully complete ninth grade, instead of eighth grade. Existing law, unchanged by the act, also requires such applicants to (1) complete at least 1,500 hours of study in an approved hairdressing and cosmetology school, (2) pass a DPH-prescribed examination, and (3) pay a \$100 fee.
EFFECTIVE DATE: Upon passage

§ 38 — BOARD CERTIFIED BEHAVIOR ANALYSTS

The act specifies that a (1) behavior analyst or (2) assistant behavior analyst certified by the Behavior Analyst Certification Board may provide special education services to a child with autism spectrum disorder without a speech pathologist license.
EFFECTIVE DATE: Upon passage

§ 39 — MANDATORY MENINGITIS VACCINATIONS FOR COLLEGE STUDENTS

By law, students who live in on-campus housing at private or public colleges or universities must be vaccinated against meningitis. Starting with the 2014-2015 school year, the act requires students initially enrolling to submit evidence that they received a meningococcal conjugate vaccine no more than five years before their enrollment date. (In practice, the conjugate vaccine is the preferred meningitis vaccine type for people under age 55.)

Existing law provides a medical exemption from the vaccination requirement for a student who presents a certificate from a physician or APRN stating that the student's physical condition medically contraindicates vaccination against meningitis. The act also allows a physician assistant to provide such a certification.

EFFECTIVE DATE: January 1, 2015

§ 40 — BONE DENSITOMETRY

The act restores a provision repealed by PA 13-208. It specifies that a radiographer license is not required for a radiologic technologist certified by the International Society of Clinical Densitometry or the American Registry of Radiologic Technologists if the individual is operating a bone densitometry system under the supervision, control, and responsibility of a licensed physician.

§ 41 — DENTAL HYGIENISTS

The act changes the requirements a dental hygienist must fulfill in order to reinstate a voided license. It requires an applicant to submit evidence to DPH that he or she completed at least 24 contact hours of qualifying continuing education during the two years immediately preceding the application date. Prior law required this only for an applicant whose license had been void for two years or less.

The act requires an applicant who has not actively practiced dental hygiene for more than two years to instead successfully complete an examination by the (1) National Board of Dental Hygiene or (2) North East Regional Board of Dental Examiners within one year immediately preceding the application date. Prior law required this for applicants whose license was void for more than two years. The act also allows such applicants to complete a DPH-approved refresher course in lieu of the above examinations.

§ 42 — ENVIRONMENTAL LABORATORIES

The act broadens the scope of DPH's environmental laboratory certification program. Under this program, the department registers and certifies private, municipal, and state-operated environmental laboratories that test drinking water, sewage, soil, and other environmental samples for contaminants.

Definition

The act specifies that an "environmental laboratory" is a facility or area, including an outdoor area, which conducts microbiological, chemical, radiological, or other analyte (i.e., component) testing of specified substances in order to provide information on (1) the sanitary quality, (2) the pollution amount, or (3) any substance prejudicial to the public health or environment.

The act broadens the definition to include environmental laboratories that perform such testing of (1) construction, renovation, and demolition building materials; (2) animal and plant tissues; and (3) any other matrix. Existing law already includes in the definition environmental laboratories that test:

1. drinking, ground, and sea waters;
2. rivers, streams, and surface waters;
3. recreational waters and swimming pools;
4. fresh water sources;
5. wastewaters, sewage, sewage effluent, or sewage sludge;
6. soil; and
7. solid waste

Under the act, the definition no longer specifically includes environmental laboratories that test hazardous waste, food, and food utensils.

The act defines “analyte” as a microbiological, chemical, radiological, or other matrix component being measured by an analytic test. A “matrix” is the substance or medium in which the analyte is contained, including drinking water or wastewater.

Registration and Certification Requirements

The act requires the DPH commissioner to determine whether it is necessary for the protection of the public health or environment to require an environmental laboratory to register with DPH and obtain certification to conduct analyte testing in a matrix.

If she determines that such registration is necessary, the environmental laboratory must obtain DPH certification. The act prohibits any person from operating, managing, or controlling an environmental laboratory without registering with DPH and obtaining such certification if the:

1. laboratory conducts analyte testing to provide information on the (a) sanitary quality or (b) pollution amount of any substance prejudicial to the health or environment and
2. DPH commissioner determines that such registration and certification is required.

The act requires the DPH commissioner to annually publish a list of all analytes and matrices that require testing certification.

Existing law exempts from the registration and certification requirements, an environmental laboratory that only provides laboratory services or information for its owner or operator.

Applications

The act requires an applicant for analyte testing certification to submit the application on forms DPH provides and pay a \$1,250 application fee. Existing law already requires this for registration applications. The act extends the application fee to state-operated environmental laboratories, which were exempt under prior law.

The act specifies that a registration or certification application may be executed by a responsible officer, instead of the environmental laboratory’s owner, if the owner authorizes the officer to do so.

The act specifies that DPH must issue a registration or certification for a minimum of 24 hours and maximum of 27 months from any application deadline the commissioner establishes.

By law, registrants must submit to DPH renewal applications biennially, within 24 months of the current registration. The act also requires the submission of a renewal application before any change is made to an environmental laboratory’s quarters. Existing law

already requires this for any major expansion or alteration of such quarters. The act eliminates the requirement that registrants submit renewal applications when a laboratory changes its director, but it still requires such action for any ownership change.

Enforcement

The act requires environmental laboratories to comply with all DPH standards, not just those in the Public Health Code. It requires DPH to establish one or more civil penalty schedules that may be assessed against an environmental laboratory that violates state laws or regulations. It also authorizes the DPH commissioner to revoke or limit an environmental laboratory’s license for failing to comply with state laws or regulations.

The act authorizes the DPH commissioner to take certain actions against an environmental laboratory, including (1) imposing a civil penalty of up to \$5,000 per violation per day and (2) issuing other orders she deems necessary to protect the public health. She may do this only if she determines, after a review, investigation, or inspection, that the environmental laboratory violated state laws or regulations.

The commissioner must notify the laboratory of any imposed civil penalty and provide the laboratory with an opportunity for a hearing. The act expressly prohibits government immunity as a defense against such civil penalty.

When determining the civil penalty amount, the act requires the commissioner to consider the (1) degree of threat to the public health or environment, (2) amount necessary to achieve compliance, and (3) environmental laboratory’s history of compliance. It allows an environmental laboratory to appeal a DPH order under the Uniform Administrative Procedure Act.

The act allows DPH to revoke an environmental laboratory’s registration or certification if it fails to pay any imposed civil penalty. It also (1) allows the commissioner to order an unregistered environmental laboratory to cease operations and (2) requires the attorney general to petition to Superior Court for an order to aid in enforcing the environmental laboratory certification program.

§ 43 — LEAD ABATEMENT FINES

The act increases, from \$1,000 per violation to \$5,000 per day, the fine for violating lead abatement laws and regulations to conform to federal regulations. The act also specifies that violators may be subject to DPH disciplinary action, such as license revocation or suspension, censure, letter of reprimand, probation, or a civil penalty.

§ 44 — HEARING INSTRUMENT SPECIALISTS

By law, a hearing instrument specialist must complete at least 16 hours of continuing education every two years in order to renew his or her license. The act removes the National Board of Certification in Hearing Instrument Sciences from the list of organizations that may offer and approve continuing education courses and adds the International Hearing Society. Existing law also allows the American Academy of Audiology, American Speech-Language Hearing Association, or any DPH-approved successor organizations to offer and approve such courses.

§ 45 — NUCLEAR MEDICINE TECHNOLOGISTS

The act specifies that a nuclear medicine technologist working under the supervision and direction of a licensed physician is not practicing medicine and therefore is not required to obtain DPH licensure as a physician or surgeon.

EFFECTIVE DATE: July 1, 2014

§ 48 — PHYSICAL THERAPY ASSISTANTS

The act allows the DPH commissioner to license a physical therapy assistant (PTA) without an examination before July 1, 2015, if the applicant (1) presents satisfactory evidence that he or she was eligible to register as a PTA on or before April 1, 2006 and (2) pays a \$150 fee. (DPH notified the public that it adopted PTA licensing regulations on April 1, 2006.)

Existing law allows DPH to license anyone without an examination who (1) was a registered PTA before April 1, 2006 or (2) is licensed or registered as a PTA in another state or country with similar or higher requirements than Connecticut.

§ 52 — APRN INDEPENDENT PRACTICE REQUIREMENTS

PA 14-12 allows a licensed advanced practice registered nurse (APRN) who has practiced in collaboration with a licensed physician for at least three years to practice independently. The act specifies that an APRN must complete at least 2,000 hours of such collaborative practice before engaging in independent practice.

The act requires an APRN to notify DPH in writing of his or her intention to practice independently before doing so. Once engaged in such practice, an APRN must (1) document his or her completion of the above collaborative practice requirement, (2) maintain such documentation for at least three years after completing the requirement, and (3) submit the documentation to DPH within 45 days of the department's request.

EFFECTIVE DATE: July 1, 2014

§ 53 — APRN CONTINUING EDUCATION REQUIREMENTS

The act amends PA 14-12 by expanding the continuing education (CE) requirements for APRNs to include at least one contact hour each in:

1. infectious diseases, including AIDS and HIV;
2. risk management;
3. sexual assault;
4. domestic violence;
5. cultural competency; and
6. substance abuse.

PA 14-12 generally requires APRNs, when applying for their annual license renewal, to attest in writing that they have earned at least 50 contact hours of CE in the previous 24 months. (A contact hour is at least 50 minutes of CE education and activities.) The CE must (1) be in his or her practice area, (2) reflect his or her professional needs in order to meet the public's health care needs, and (3) include at least five contact hours in pharmacotherapeutics.

EFFECTIVE DATE: Upon passage

§ 54 — FOOD AND BEVERAGES IN FUNERAL HOMES

The act allows funeral directors or anyone engaged in the funeral directing business to serve nonalcoholic beverages and packaged food to people making funeral arrangements or arranging for disposition of a deceased person's body at a funeral home. Existing regulations prohibit this practice (see Conn. Agencies Reg. § 20-211-28).

§ 55 — FUNERAL DIRECTING SCOPE OF PRACTICE

The act specifies that the scope of practice of funeral directing includes (1) consulting about disposition arrangements, (2) casketing human remains, (3) making cemetery and cremation arrangements, and (4) preparing funeral service contracts. Existing law already allows funeral directors to engage in a variety of activities related to funerals and the proper disposing of deceased bodies, including the handling, encasing, embalming, transporting, and interring of human bodies.

§ 56 — PSYCHOLOGIST CE REQUIREMENTS

The act generally requires licensed psychologists to complete at least 10 hours of CE during each one-year license registration period. The requirement applies to registration periods beginning on and after October 1, 2014. A licensee applying for his or her first renewal is exempt from this requirement.

Under the act, a psychologist who failed to renew his or her license on time and seeks to reinstate it at

least a year after it became void must submit evidence documenting successful completion of 10 hours of CE within the year preceding the reinstatement application.

The act also provides that a licensee who fails to comply with the CE requirement may be subject to DPH disciplinary action, such as license revocation or suspension, censure, letter of reprimand, probation, or a civil penalty.

Qualifying CE Activities

Under the act, qualifying CE for psychologists must be related to the practice of psychology. The CE can include courses, seminars, workshops, conferences, and postdoctoral institutes offered or approved by:

1. the American Psychological Association,
2. a regionally accredited higher education institution graduate program,
3. a nationally recognized CE seminar provider,
4. the Department of Mental Health and Addiction Services, or
5. a professionally or scientifically recognized behavioral science organization.

The act defines a CE unit as 50 to 60 minutes of participation in accredited continuing professional education. It specifies that no more than five CE units per registration period may be completed through (1) online, distance learning, or home study or (2) a research-based presentation at a professional conference.

If a psychologist has earned a diploma (board certification) from the American Board of Professional Psychology during the registration period, he or she may substitute the diploma for that period's CE requirements.

The act also allows the commissioner to accept CE activities that the licensee completed in another state or country.

Recordkeeping

The act requires licensees to obtain certificates of completion from the CE provider for all CE activities they complete. Licensees must keep them for at least three years after the corresponding license renewal, and submit them to DPH upon request.

Waivers or Extensions

The act allows the DPH commissioner to grant a CE waiver or an extension of time for a licensee who has a medical disability or illness. The licensee must submit to DPH (1) an application, on a form the commissioner prescribes; (2) a licensed physician's certification of the disability or illness; and (3) any other documentation DPH may require.

The act allows the commissioner to grant such a waiver or extension for up to one registration period. She can grant additional waivers or extensions if the disability or illness continues beyond this period and the licensee reapplies to DPH.

The commissioner can also grant a waiver from the CE requirements to a licensee who is not engaged in any form of active professional practice during the registration period. To apply, the licensee must submit a notarized application to DPH, on a form the commissioner prescribes, before the end of the period.

The act prohibits a licensee granted a waiver (for either reason) from resuming professional practice unless he or she meets the act's CE requirements. Anyone granted a waiver must complete five hours of CE within the first six months of his or her return to active practice.

§ 57 — MARITAL AND FAMILY THERAPISTS

The act reduces, from five to three years, the amount of certified or licensed out-of-state work experience a marital and family therapist licensure applicant can substitute for Connecticut's clinical training requirements. It applies to applicants currently licensed or certified in another state, territory, or commonwealth, whose standards are not equivalent to or higher than Connecticut's.

§ 58 — PATIENT DIRECT ACCESS TO LABORATORY TEST RESULTS

The act requires a clinical laboratory to provide medical test results directly to a patient when the patient or the health care provider who ordered the testing requests it. Prior law generally did not allow the direct reporting of clinical laboratory test results to patients. DPH regulations allow such action if requested by the health care provider statutorily authorized to order the testing.

If a provider asks a patient to undergo repeated testing at regular intervals over a specified time period, existing law permits the provider to issue a single authorization allowing the laboratory to give all these test results directly to the patient.

§§ 59-61 — TECHNICAL CHANGES

The act makes technical changes in statutory provisions pertaining to:

1. the DPH advisory council on pediatric autoimmune neuropsychiatric disorder associated with streptococcal infections (PANDAS) and pediatric acute neuropsychiatric syndrome (PANS),
2. nursing home patients' rights regarding personal funds, and

3. death determinations and pronouncements by registered nurses employed by certain long-term care facilities.

§§ 62-65 & 72 — UNIFIED SCHOOL DISTRICT #3

The act repeals the statutes establishing Unified School District #3 and makes conforming statutory changes, to reflect the planned closure of the district. Unified School District #3 oversees the Birth-to-Three System's Early Connections program, the state-run Birth-to-Three provider. Early Connections is being phased out and the last child in the program will exit by the end of FY 14. All Birth-to-Three services will be provided by private agencies under contract with the Department of Developmental Services (DDS).

The Birth-to-Three program provides services to families with infants and toddlers who have developmental delays or disabilities.

EFFECTIVE DATE: October 1, 2014 for the repeal; July 1, 2014 for the conforming changes.

§ 66 — DDS REVOLVING LOAN FUND

The act allows DDS to enter a memorandum of understanding with the Connecticut Housing Finance Authority to administer DDS' residential facility revolving loan program.

Under the program, DDS makes loans to private nonprofit organizations for purchasing, building, and renovating community-based facilities for individuals with intellectual disabilities or autism spectrum disorder. Existing law already allows DDS to administer the program through a contract with a statewide private nonprofit housing development corporation organized for the purpose of expanding independent living opportunities for individuals with disabilities.

EFFECTIVE DATE: July 1, 2014

§ 67 — MEDICAL ORDERS FOR LIFE-SUSTAINING TREATMENT (MOLST)

The act amends SA 14-5, which allows the DPH commissioner, within available appropriations, to establish a voluntary pilot program to implement the use of MOLST by health care providers. It defines a "legally authorized representative" as a patient's parent, guardian, or appointed health care representative.

The act also specifies that any implementing policies and procedures DPH adopts for recording MOLST must be:

1. developed after considering the physician orders for life-sustaining treatment paradigm and

2. signed by a witness, in addition to the patient or the patient's legally authorized representative

EFFECTIVE DATE: Upon passage

§ 68 — TATTOO TECHNICIANS

Licensure Requirements

PA 13-234 established a new DPH biennial licensure program for tattoo artists (called "tattoo technician"). Starting July 1, 2014, the law prohibits anyone from engaging in the practice of tattooing unless he or she is age 18 or older and obtains a Connecticut tattoo technician license or temporary permit. The act extends, from July 1, 2014 to January 1, 2015, the date by which (1) the licensure requirement applies and (2) licensure applicants must complete initial education and training requirements.

Temporary Permits

The act eliminates the DPH commissioner's authority to issue a 14-day temporary permit to a person licensed or certified to practice tattooing in another state who is in Connecticut to attend an educational event or participate in a product demonstration. The act instead allows a person who (1) provides tattoo instruction or (2) participates in a product demonstration or offers tattooing as part of a professional event to practice tattooing in Connecticut if he or she:

1. is licensed or certified to practice tattooing in another state, territory, or country that is the primary place where he or she practices tattooing, if such licensure or certification is required;
2. successfully completed, within the preceding three years, a course on preventing disease transmission and blood-borne pathogens that complies with federal Occupational Safety and Health Administration standards;
3. practices tattooing under the direct supervision of a licensed tattoo technician;
4. is not compensated for providing tattooing services, other than for (a) instructional services or (b) tattooing provided to people attending the professional event; and
5. provides instruction, demonstrates tattooing techniques, or offers tattooing only to event participants.

Any person or organization that holds or produces such a professional event that utilizes tattoo technicians who are not licensed in Connecticut must ensure compliance with the act.

EFFECTIVE DATE: Upon passage

§ 69 — NATUREOPATHY

Definition

The act expands the statutory definition of natureopathy to include the science, art, and practice of healing by natural methods recognized by the Council of Natureopathic Medical Education (CNME). It comprises the diagnosis, prevention, and treatment of disease and health optimization by stimulation and support of the body's natural healing processes, as approved by the State Board of Natureopathic Examiners (SBNE) with the DPH commissioner's consent.

Prior law defined the practice of natureopathy as the science, art, and practice of healing by natural methods recognized by the CNME and approved by the SBNE with the DPH commissioner's consent.

Scope of Practice

The act expands the scope of practice of natureopathic physicians to include:

1. ordering diagnostic tests and other diagnostic procedures, as they relate to the practice of mechanical and material sciences of healing;
2. ordering medical devices and durable medical equipment; and
3. ear wax removal, spirometry (i.e., breathing testing), tuberculosis testing, and venipuncture for blood testing.

Existing law already allows natureopathic physicians to (1) provide counseling and (2) practice the mechanical and material sciences of healing. This includes, among other things, articular manipulation, corrective and orthopedic gymnastics, physiotherapy, nutrition, and treatment using natural substances and external applications.

§ 70 — PHYSICIAN ASSISTANTS

The act eliminates the requirement that a medical order or prescription form written by a physician assistant (PA) include the signature and printed name of his or her supervising physician. It also eliminates the requirement that a PA's prescription forms include his or her supervising physician's printed name, license number, address, and telephone number. The forms must continue to include the PA's name, signature, address, and license number.

§ 71 — DMHAS DATA COLLECTION

The act repeals Section 1 of PA 14-138, which specified that DMHAS methods for collecting statistical information for public and private agencies apply to all public and private agencies that provide care or treatment for psychiatric disabilities or alcohol or drug abuse or dependence, including those that are not state-operated or state-funded.

This provision also specified that the agencies or others involved in such treatment, and not the commissioner, must collect relevant statistical information and make it available. By law, this information includes the number of people treated, demographic and clinical information, frequency of admission and readmission, frequency and duration of treatment, level of care provided, and discharge and referral information.

EFFECTIVE DATE: Upon passage

§ 72 — REPEALER

The act repeals statutory provisions:

1. requiring DPH to establish a program to distribute HIV and AIDS informational pamphlets, films, and public service announcements (CGS § 19a-121c);
2. requiring DPH to (a) establish an AIDS Task Force, (b) provide grants for HIV and AIDS study, and (c) run youth programs and services concerning HIV and AIDS (CGS §§ 19a-121e – 19a-121g);
3. regarding an obsolete accreditation requirement for unlicensed health care facilities that administer general, moderate, or deep anesthesia to patients (CGS § 19a-691); and
4. allowing a person to file a civil suit instead of using the Claims Commission process for certain damage claims against the commissioners of public health and developmental services and other state entities (CGS § 19a-24).

PA 14-24—sSB 100

*Public Safety and Security Committee
General Law Committee*

AN ACT CONCERNING BAZAARS AND RAFFLES

SUMMARY: This act changes, from the local municipality to the Department of Consumer Protection (DCP), the initial government entity to which an organization submits its bazaar or raffle permit application and fees. Under the act, DCP remits the appropriate portion of the fee payments and forwards the applications to the municipality, rather than the municipality submitting them to the state. By law and unchanged by the act, both the municipality and DCP retain the same application review powers and fee amounts.

The act extends to all organizations authorized to hold a bazaar or raffle the ability to hold the event in a municipality other than the one that granted the permit, if the nonpermitting municipality provides written approval. It specifically gives to the state's attorney's office with jurisdiction over the municipality where the event occurred responsibility for investigating violations.

The act (1) expands how organizations may advertise bazaars or raffles and (2) eliminates the requirement that these organizations submit a post-event verified statement to the municipality. By law, DCP must (1) examine the statement, (2) compare it to the organization's application, and (3) keep it on file and available for public inspection for one year.

The act also makes minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2014

BAZAARS OR RAFFLES IN OTHER MUNICIPALITIES

The act extends to all organizations authorized to hold a bazaar or raffle the ability to hold the event in a municipality other than the one that granted the permit, if the appropriate official in the nonpermitting municipality provides written approval. Prior law allowed only the following groups, with written approval, to hold events outside the permitted municipality: (1) organized churches, volunteer fire companies, or veteran groups, for bazaars and raffles and (2) federally tax-exempt organizations, for raffle drawings.

The act also allows a municipality's police chief, instead of just the municipality's chief executive officer, to provide written approval.

ADVERTISING

The act expands the ways organizations may advertise bazaars or raffles by eliminating prior law's advertising restrictions. Under prior law, organizations could not use a sound truck, billboard, or television to advertise a raffle's location, time, or prizes, but they could post one sign measuring up to 12 square feet on the premises where the event would be held or the prizes awarded and one where the prizes were displayed. In addition, nonprofit organizations could advertise (1) on their websites, (2) by email, or (3) on lawn signs on private property with the property owner's consent. The sign could not be larger than 18 by 24 inches and had to comply with any applicable local ordinance or planning or zoning regulation.

VERIFIED STATEMENT

Under the act, organizations holding bazaars or raffles must submit a post-event verified statement, which includes certain information on the event's results, to DCP rather than the municipality. Prior law required them to submit duplicate statements to the appropriate municipal official, who had to forward the original statement to DCP. Under the act, organizations must file a single statement and municipal officials no longer receive a copy. By law, DCP examines the statement and compares it to the organization's application. The act eliminates the municipality's duty to do so.

BACKGROUND

Organizations Qualified to Conduct Bazaars or Raffles

The law allows the following to conduct, operate, or sponsor bazaars or raffles if the municipality where they are located has adopted the Bazaars and Raffles Act: veterans, religious, civic, fraternal, educational, and charitable organizations; volunteer fire companies; and political parties and their town committees. Raffles may also be promoted and conducted if sponsored by towns acting through a designated centennial, bicentennial, or other centennial celebration committee.

PA 14-25—SB 101

*Public Safety and Security Committee
Government Administration and Elections Committee*

AN ACT ESTABLISHING FIRST RESPONDER DAY

SUMMARY: This act requires the governor to proclaim September 27 of each year as First Responder Day in recognition of first responders' service, sacrifice,

and contribution to public health and safety. It requires suitable exercises to be held in the State Capitol and other locations the governor designates.

EFFECTIVE DATE: Upon passage

PA 14-28—SB 290

*Public Safety and Security Committee
General Law Committee*

AN ACT CONCERNING TUITION RAFFLES

SUMMARY: This act allows qualified organizations that hold special tuition raffles to offer, as prizes, full or partial student loan payments for student recipients designated by the winners, as an alternative to tuition payments. It requires the Department of Consumer Protection (DCP) commissioner to adopt regulations to (1) allow any organization permitted to conduct a special tuition raffle to pay all or part of a student recipient's student loan each year for up to four years and (2) provide that the tuition prize be paid directly to the financial institution that made the loan.

Under the act, a financial institution includes a Connecticut, federal, or out-of-state bank; Connecticut or out-of-state credit union; institutional lender; and any subsidiary or affiliate of such institutions. It also includes other Department of Banking-licensed lenders.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Tuition Raffles

By law, qualified organizations may conduct special tuition raffles once each calendar year and award full or partial tuition payments as prizes. Special tuition raffle proceeds must be deposited in a special dedicated bank account, approved by the DCP commissioner, to pay the raffle expenses. The commissioner may require organizations to post a performance bond to fully fund prizes.

Organizations must file quarterly tuition raffle financial reports and verified financial reports.

Organizations Qualified to Conduct Tuition Raffles

The law allows the following to conduct, operate, or sponsor raffles if the municipality where they are located has adopted the Bazaars and Raffles Act: veterans, religious, civic, fraternal, educational, and charitable organizations; volunteer fire companies; and political parties and their town committees. Raffles may also be promoted and conducted if sponsored by towns acting through a designated centennial, bicentennial, or other centennial celebration committee.

Related Act

PA 14-24 (1) changes the initial government entity to which an organization must submit its bazaar or raffle permit application and fees, from the municipality to DCP; (2) allows organizations, with written approval, to hold raffles outside of the municipality that granted the permit; and (3) allows organizations to use all types of advertisements to promote bazaars and raffles.

PA 14-29—sSB 291

*Public Safety and Security Committee
Government Administration and Elections Committee*

AN ACT CONCERNING CRANE OPERATIONS

SUMMARY: This act postpones, by three years, to October 1, 2017, implementation of the provisions of PA 12-99 scheduled to take effect on October 1, 2014. Among other things, these provisions broaden the definition of cranes, thereby expanding the types of equipment and operators subject to state licensing and regulation; expand examination and testing requirements for crane operators; and exempt certain people from licensing requirements.

Before October 1, 2014 when the new definition of crane was scheduled to take effect, PA 12-99 allowed the Crane Examiners Board to develop and administer written and practical examinations for, and issue licenses to, operators of cranes meeting the new definition. The act allows the board to do so before PA 12-99's definition takes effect on October 1, 2017.

EFFECTIVE DATE: Upon passage, except the provision pertaining to the development and administration of examinations takes effect October 1, 2017.

BACKGROUND

Cranes and PA 12-99

PA 12-99 was passed in anticipation of new federal Occupational Safety and Health Administration (OSHA) standards governing cranes and derricks. Some of the act's changes took effect on October 1, 2012 and others were scheduled to take effect on October 1, 2014, when OSHA's standards were to go into effect. OSHA has delayed adoption of its final rule until November 2017.

PA 14-36—HB 5149

*Public Safety and Security Committee
Public Health Committee*

**AN ACT CONCERNING CARDIOPULMONARY
RESUSCITATION CERTIFICATION**

SUMMARY: This act allows lifeguards to be certified in cardiopulmonary resuscitation by the American Safety and Health Institute as an alternative to the American Heart Association or American Red Cross. It requires the public health commissioner to incorporate this provision in regulations.

EFFECTIVE DATE: October 1, 2014

PA 14-72—sHB 5148

Public Safety and Security Committee

AN ACT CONCERNING SKI SAFETY

SUMMARY: This act expands the safety checks and duties that operators of certain passenger tramways (aerial chair lifts) or ski areas must perform.

It requires the operators to (1) ensure that passenger tramways are equipped with restraint devices, which the act defines as a restraining bar that does not yield to a skier's forward pressure, and (2) conspicuously post, at the tramway entrance, instructions on the proper use of the devices and notice that the law requires their use. It requires tramway riders to keep the restraint device closed, except when embarking or disembarking. The passenger tramways to which the act applies are lifts that carry passengers on chairs suspended in the air and attached to a moving cable, chain, or link belt supported by trestles or towers with one or more spans, or similar devices.

The act requires operators to ensure that any lift tower on a ski trail or slope is padded or otherwise protected, instead of conspicuously marking the ones not readily visible. It (1) allows them to pad snowmaking devices on ski trails and slopes, as an alternative to marking their location; (2) specifies that the marker must be a portable fence or similar device; and (3) specifies the areas on ski slopes where snowmaking equipment padding or marking is required. These are designated slopes, trails, or areas the operator approves and opens for skiing and grooms regularly as part of normal maintenance activities.

The act also makes minor and technical changes.

EFFECTIVE DATE: October 1, 2014

PA 14-137—sHB 5150

Public Safety and Security Committee

**AN ACT CONCERNING FIRE SAFETY
ENFORCEMENT OFFICIALS**

SUMMARY: This act eliminates one step in the two-step certification process for fire officials (local and deputy fire marshals, fire inspectors, and other investigators and inspectors), requiring them to be certified as fire officials upon successful completion of certification requirements, instead of first being certified as "eligible to be certified" upon completion of such requirements and subsequently being certified as fire officials. In doing so, the act makes the process the same as the one for licensing building officials, who are licensed upon completion of licensing requirements. The act also codifies the practice of the state fire marshal and Codes and Standards Committee (CSC) jointly certifying fire officials.

To qualify for certification, the act requires local fire marshals, deputy fire marshals, and fire inspectors to have at least three years' experience performing certain fire or hazardous material work or working as a police officer, or equivalent experience as determined by CSC and the state fire marshal. It allows CSC and the state fire marshal to accept training programs developed by private institutions, not just public agencies, as proof of qualification for certification.

The act allows any certified fire official, not just appointed fire officials, to apply to CSC and the state fire marshal to retire his or her certificate and receive a certificate emeritus. By law, the retiree may no longer claim to be certified.

Under existing law, a town's board of fire commissioners (or other specified appointed authority, where there is no board) appoints local fire marshals and deputy fire marshals. In practice, such boards also appoint other investigators and inspectors. The act updates the statutes by codifying current practice.

The act makes technical changes pertaining to fire officials' authority to enforce the state Fire Safety Code and state Fire Prevention Code.

EFFECTIVE DATE: October 1, 2014

FIRE OFFICIALS

Certification

The law requires local and deputy fire marshals, fire inspectors, and other investigators and inspectors to be certified before they are appointed or hired. Under prior law's two-step certification process, any such fire official who completed the required training, education, or examination program was (1) first certified by CSC and the state fire marshal as "eligible to be certified"

and (2) subsequently certified as a fire official. The law did not say when or by whom he or she had to be certified as a fire official. In practice, CSC and the state fire marshal jointly certified the fire official after the town appointed or hired him or her.

The act eliminates the initial eligibility certification, instead requiring certification as a fire official upon program or training completion. It conforms law to practice by specifically designating CSC and the state fire marshal as the authorities responsible for issuing the certification.

Experience Required for Certification

Existing law requires CSC and the state fire marshal to jointly adopt minimum qualification standards for local fire marshals, deputy fire marshals, fire inspectors, and other classes of inspectors and investigators they deem necessary.

Under the act, the standards for fire marshals and fire inspectors must include at least three years' experience:

1. suppressing or preventing fires;
2. responding to, and controlling, hazardous material releases or potential releases;
3. inspecting activities concerning the fire safety or prevention code or hazardous material;
4. investigating the cause and origin of fires and explosions; or
5. working as a state or local police officer.

Alternatively, the person must have equivalent experience as determined by CSC and the state fire marshal.

PA 14-149—sHB 5389

Public Safety and Security Committee

AN ACT CONCERNING THE USE OF ELECTRONIC DEFENSE WEAPONS BY POLICE OFFICERS

SUMMARY: This act requires the State Police and local police departments that authorize their officers to use electronic defense weapons to document their use and annually, beginning January 15, 2016, report the information to the Office of Policy and Management (OPM) for posting on its website. It requires the Police Officer Standards and Training Council (POST), by January 1, 2015, to develop and promulgate a standardized form for departments to report the data.

The act requires (1) POST, by January 1, 2015, to develop and promulgate a model policy providing guidelines on police use of electronic defense weapons and (2) any police department that authorizes the use of such weapons to adopt and maintain a written policy, by

January 31, 2015, that meets or exceeds the model policy. (The council has already voluntarily developed a model policy.)

EFFECTIVE DATE: October 1, 2014 for development of the model policy and standardized reporting form; January 1, 2015 for the remaining provisions.

ELECTRONIC DEFENSE WEAPONS' USE, DOCUMENTATION, AND REPORTS

An "electronic defense weapon" is a weapon that, by electronic impulse or current, is capable of immobilizing a person temporarily, but is not capable of inflicting death or serious physical injury, including a stun gun or other conductive energy device (CGS § 53a-3).

Under the act, any police department that authorizes its officers to use electronic defense weapons must require the officers to document their use in the department's "use-of-force" reports. By January 15 following the end of each calendar year in which an electronic defense weapon is used, the department must prepare an annual report, using the POST form, detailing the use of the weapons. The report must include (1) data downloaded from the weapons after their use, (2) data compiled from the use-of-force reports, and (3) statistics on each use of these weapons. The statistics must include the:

1. race and gender of each person on whom the weapon was used, based on the observation and perception of the police officer who used the weapon;
2. number of times the weapon was activated and used on the person;
3. injury, if any, the person suffered; and
4. mode used on the person, if the weapon had different usage modes.

By January 15, 2016, and annually thereafter, agencies that authorize the use of these weapons must submit the reports to OPM's Criminal Justice Policy and Planning Division. Any agency that does not authorize their use must submit a report to that effect. The act requires OPM to post the reports on its website.

PA 14-179—sHB 5531

*Public Safety and Security Committee
Planning and Development Committee*

AN ACT CONCERNING MUTUAL CONSOLIDATION OF DISPATCH FACILITIES

SUMMARY: This act allows municipalities (towns, cities, boroughs, consolidated towns and cities, and consolidated towns and boroughs) that enter into interlocal agreements to consolidate dispatch services to

establish a governing board. Under existing law, unchanged by the act, they may already establish advisory boards when they enter into interlocal agreements. These advisory boards recommend programs and policies for cooperative or uniform action in activities permitted or authorized for the participating public agencies and advise the agencies' public officials on the programs, policies, or activities (CGS § 7-339b).

As is the case with advisory boards, the act requires each municipality that is a party to the dispatch services agreement to be represented on the governing board. The municipality's legislative body must appoint, or prescribe how to appoint, the representatives and prescribe their qualifications, terms of office, and compensation, if any, subject to applicable provisions of the agreement. The agreement must outline the general powers and authority of the board, which has only those powers specifically provided to municipalities pertaining to dispatch services by law, charter, or special act.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Interlocal Agreements

The law allows towns and service districts to perform a wide range of municipal services jointly through interlocal agreements (CGS §§ 7-339a - 339l). It restricts the agreements to a specific list of municipal functions and services and specifies the process for entering into these agreements.

Dispatch Services

These are emergency services (such as fire and police) dispatched in response to 9-1-1 calls. Public safety answering points (PSAPs) receive the calls and dispatch the services or transfer the calls to other public safety agencies. The Division of State-Wide Emergency Telecommunications, within the Department of Emergency Services and Public Protection, offers financial incentives to encourage municipalities to (1) form multi-jurisdiction PSAPs and (2) consolidate PSAP operations (Conn. Agencies Reg. § 28-24-1 et seq.).

PA 14-218—SB 426 (VETOED)

Public Safety and Security Committee

AN ACT CONCERNING PAYMENT OF THE COSTS OF CERTIFICATION FOR A POLICE OFFICER

SUMMARY: This act requires any law enforcement unit that hires an officer from another law enforcement

unit, on or after the act's passage, within two years after the officer is certified by the Police Officer Standards and Training Council (POST) to reimburse the initial hiring unit the total cost of certification. The "cost of certification" is the cost of training, equipment, uniforms, salary and fringe benefits, and any cost related to the council's entry-level requirements. It does not include any equipment or uniforms the officer returns.

The act does not require reimbursement for a certified employed officer hired by another law enforcement unit two or more years after being certified. It does not affect any agreement between a police officer, collective bargaining unit, or law enforcement unit entered into before its effective date to reimburse the cost of certification.

For purposes of the act, a "law enforcement unit" means any state or municipal agency, organ, or department (or tribal agency, organ, or department created or governed under a legal memorandum of agreement) whose primary functions include enforcing criminal or traffic laws; preserving public order; protecting life and property; or preventing, detecting, or investigating crime.

EFFECTIVE DATE: Upon passage

BACKGROUND

POST

The council (1) trains, certifies, and establishes minimum qualifications for municipal police officers and others and (2) enforces professional standards for certifying and decertifying them.

PA 14-219—sSB 427

Public Safety and Security Committee

AN ACT CONCERNING SMOKE AND CARBON MONOXIDE DETECTORS IN CERTAIN RESIDENTIAL BUILDINGS AT THE TIME THE TITLE IS TRANSFERRED

SUMMARY: By law, before transferring title to a one- or two-family dwelling issued a new occupancy building permit before October 1, 2005, the transferor, with some exceptions, must give the transferee an affidavit certifying that the:

1. (a) permit was issued on or after October 1, 1985 or (b) building is equipped with smoke detection and warning equipment (smoke detector) and

2. building is either (a) equipped with carbon monoxide detection and warning equipment (CO detector) or (b) does not pose a risk of CO poisoning because it does not have a fuel-burning appliance, fireplace, or attached garage.

Under this act, the affidavit does not constitute a warranty beyond the transfer of title.

For residences requiring an affidavit, the act eliminates a prohibition on the smoke and CO detectors exceeding the standards under which they were tested and approved, and it requires the CO detector to be able to sense, rather than show, the amount of CO present as a reading in parts per million. As under existing law:

1. the smoke detector must be able to sense visible or invisible smoke particles;
2. the smoke detector must be installed in the immediate vicinity of each bedroom; and
3. both the CO and smoke detectors may be battery-operated and must be (a) installed in accordance with the manufacturer's instructions and (b) capable of providing an alarm suitable to warn occupants when activated.

By law, a nonexempt transferor who fails to provide the affidavit must credit the transferee with \$250 at closing.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

CO and Smoke Detector Requirements With Regard to October 1, 1985 and October 1, 2005

Existing law requires smoke detectors capable of operating on alternating current and batteries to be in one- and two-family dwellings issued a building permit for new occupancy on or after October 1, 1985. It generally requires CO detectors in new one- and two-family dwellings issued a building permit for new occupancy on or after October 1, 2005 (CGS § 29-292).

Exemptions from the Affidavit Requirement

The law exempts from the affidavit requirement transfers:

1. from one co-owner to another;
2. to the transferor's spouse, parent, sibling, child, grandparent, or grandchild where no consideration is paid;
3. under a court order;
4. by the federal government or any of its political subdivisions;
5. by deed in lieu of foreclosure;
6. involving refinancing of an existing mortgage debt;

7. by mortgage deed or other instrument to secure a debt where the transferor's title to the property is subject to a preexisting mortgage debt; or
8. by executors, administrators, trustees, or conservators.

PA 14-220—sSB 429

*Public Safety and Security Committee
Judiciary Committee*

AN ACT CONCERNING ASSAULT THAT RESULTS IN THE LOSS OF CONSCIOUSNESS

SUMMARY: This act specifically designates as 2nd degree assault any case in which someone, without provocation, strikes a person in the head intentionally (1) causing serious physical injury and (2) rendering him or her unconscious. The act makes anyone who commits this crime ineligible for existing law's accelerated rehabilitation (AR) program, which is a pretrial diversionary program for certain criminal defendants (see BACKGROUND).

By law, a person who intentionally causes serious physical injury to anyone commits 2nd degree assault, which is a class D felony (see Table on Penalties).

EFFECTIVE DATE: October 1, 2014

BACKGROUND

2nd Degree Assault

A person commits 2nd degree assault when he or she does any of the following to someone:

1. intentionally causes serious physical injury;
2. intentionally causes physical injury by using a deadly weapon or dangerous instrument other than a firearm;
3. recklessly causes serious physical injury by using a deadly weapon or dangerous instrument; or
4. for a purpose other than lawful medical or therapeutic treatment, intentionally causes stupor, unconsciousness, or other physical impairment or injury by administering, without the victim's consent, a drug, substance, or preparation capable of producing the same.

A person also commits this crime if he or she is a parolee and intentionally causes physical injury to an employee or member of the Board of Pardons and Paroles (CGS § 53a-60).

AR Program

Under Connecticut's criminal justice system, certain criminal defendants may avoid prosecution and incarceration by successfully completing court-sanctioned, community-based treatment programs (called diversionary programs) before trial. By law, someone is eligible for the AR program if he or she is charged with certain nonserious crimes or motor vehicle violations, has no prior convictions of a crime or certain motor vehicle violations, and has not used AR before. A defendant who does not complete the program is brought to trial (CGS § 54-56e).

3. a state or local police vehicle operated by a police officer or motor vehicle inspector answering an emergency call or pursuing fleeing lawbreakers, or
4. a Department of Correction vehicle operated by a correction officer responding to an emergency call in the course of his or her employment (CGS § 14-283(a)).

Emergency Vehicle Operation

By law, emergency vehicle operators may:

1. park or stand their vehicles notwithstanding other laws;
2. proceed past a red light or stop signal or stop sign after slowing down or stopping to the extent necessary to operate the vehicle safely;
3. exceed posted speed limits as long as the drivers do not endanger life or property; and
4. disregard statutes, ordinances, or regulations governing direction of movement or turning in specific directions (CGS § 14-283(b)).

The exemptions apply only when the emergency vehicle is using an audible warning signal device, such as a siren, whistle, or bell, and visible flashing or revolving lights that meet standards specified in law (CGS § 14-283(c)).

PA 14-221—sSB 430

*Public Safety and Security Committee
Judiciary Committee*

AN ACT CONCERNING THE OPERATION OF EMERGENCY VEHICLES

SUMMARY: By law, all vehicles, including emergency vehicles, must stop for a school bus displaying flashing red signal lights on a highway or private road, in a parking area, or on school property. The operator must stop at least 10 feet in front of the bus when approaching and at least 10 feet behind the bus when overtaking or following it, except at a traffic officer's direction.

This act allows an emergency vehicle operator, after stopping, to proceed past the school bus as long as he or she does not endanger life or property in doing so. By law, the vehicle must use an audible warning signal, such as a siren, and display flashing or revolving lights, as it must for other motor vehicle law exemptions (see BACKGROUND).

By law, violators are subject to a \$450 fine for a first offense and, for a subsequent offense, a fine of between \$500 and \$1,000, imprisonment for up to 30 days, or both (CGS § 14-279(b)).

EFFECTIVE DATE: October 1, 2014

BACKGROUND*Emergency Vehicle*

The law defines an "emergency vehicle" as:

1. an ambulance or vehicle operated by a member of an emergency medical service organization responding to an emergency call,
2. a vehicle used by a fire department or fire department officer while on its way to a fire or emergency call (but not while returning from the fire or call),

PA 14-31—SB 336
Transportation Committee
Judiciary Committee

AN ACT CONCERNING THE PENALTY FOR CAUSING HARM TO A VULNERABLE USER OF A PUBLIC WAY

SUMMARY: This act creates a separate violation for a motorist operating on a public way who fails to exercise reasonable care and causes the serious physical injury or death of a “vulnerable user,” provided the vulnerable user exercised reasonable care in using the public way. Any motorist found to have caused the serious injury or death of a vulnerable user in such circumstances must be fined up to \$1,000.

Depending on the circumstances, such conduct may already subject drivers to penalties under existing criminal laws, including:

1. misconduct with a motor vehicle (CGS § 53a-57),
2. aggravated endangerment of a highway worker (CGS § 14-212d), and
3. negligent homicide with a motor vehicle (CGS § 14-222a).

EFFECTIVE DATE: October 1, 2014

DEFINITIONS

Under the act, “vulnerable users” include:

1. pedestrians,
2. highway workers,
3. people riding or driving animals,
4. bicyclists,
5. skateboarders and in-line or roller skaters,
6. people riding or driving agricultural tractors,
7. people using wheelchairs or motorized chairs, and
8. blind people and their service animals.

A “public way” includes any of the following that are under the control of the state or a political subdivision and open to public travel or use: public highways, roads, streets, avenues, alleys, driveways, parkways, or places.

PA 14-63—HB 5459
Transportation Committee

AN ACT CONCERNING THE ADOPTION OF THE UNIFORM CERTIFICATE OF TITLE FOR VESSELS ACT

SUMMARY: This act enacts the Uniform Certificate of Title for Vessels Act, which creates a certificate of title system for certain vessels that are principally used on

Connecticut waters. It generally requires owners to apply to the Department of Motor Vehicles (DMV) for a certificate when a vessel’s ownership changes or Connecticut becomes the vessel’s state of principal use. But the act does not apply to a number of different types of vessels, most notably those (1) with a model year of 2016 or earlier, (2) less than 19.5 feet long unless they are motor boats, or (3) covered by federal documentation or a foreign country’s registry.

The act makes a certificate of title prima facie evidence of ownership, sets rules for perfecting security interests on certificates and indicating transfers of interests in vessels, establishes penalties for fraudulent acts related to certificates, and requires DMV to maintain certain information in indexed files for public searches. The act also allows DMV to adopt regulations to implement the act’s provisions but requires regulations for certain subjects.

The act establishes the fees DMV can charge for certificate filings and searches.

EFFECTIVE DATE: January 1, 2016

§§ 5 & 6 — CERTIFICATE REQUIREMENT

The act requires the owner of certain vessels principally used in Connecticut to apply to DMV, with the appropriate fee, for a certificate of title within 20 days after the later of (1) obtaining ownership or (2) Connecticut becoming the state on whose waters the vessel is or will be used, operated, navigated, or employed more than on the waters of any other state during a year (i.e., state of principal use).

Under the act, a vessel becomes covered by a certificate of title when an application and fee are delivered to (1) DMV or (2) the agency that creates a certificate in another jurisdiction. The law of the jurisdiction of the vessel’s certificate of title governs all issues relating to the certificate from the time the certificate covers the vessel until it (1) is covered by another certificate or (2) becomes a documented vessel. This applies even if there is no relationship between the jurisdiction and the vessel or its owner.

Vessels Excluded from the Certificate Requirement

- The act prohibits issuing a certificate of title for a:
1. vessel designated by the manufacturer as having a model year of 2016 or earlier;
 2. vessel, other than a motor boat, that is less than 19.5 feet in length;
 3. vessel propelled solely by paddle or oar;
 4. seaplane on water;
 5. documented vessel (a vessel covered by a certificate of documentation issued by the U.S. Coast Guard under federal law, which applies to some large vessels and those owned by a

- federal entity);
6. foreign-documented vessel (a vessel recorded in another country's registry that identifies ownership interests and includes a unique alphanumeric designation for the vessel);
 7. barge;
 8. amphibious vehicle covered by a motor vehicle certificate of title in this or another state;
 9. vessel operating only on a permanently fixed, manufactured course with movement restricted to or guided by a mechanical device that is attached to or controls the watercraft;
 10. vessel owned by the United States, a foreign government, a state, or a political subdivision and used for government functions;
 11. vessel used solely as a lifeboat on another watercraft;
 12. vessel before delivery if it is under construction or completed under a contract;
 13. vessel held by a dealer for sale or lease;
 14. stationary floating structure that (a) does not have and is not designed to have its own propulsion; (b) needs a continuous hookup to shore for utilities; and (c) does not have sewage facilities or has a permanent, continuous hookup to shore for sewage;
 15. vessel manufactured or assembled before January 1, 2017, for which the manufacturer or assembler has not designated a model year; or
 16. vessel with a certificate from another state that becomes principally used in Connecticut but cannot receive a certificate in Connecticut under the act's provisions.

These exceptions do not apply to a vessel principally used in Connecticut that was a documented or foreign-documented vessel but no longer is.

DMV cannot issue, transfer, or renew a certificate issued as required by federal law (this applies to certain vessels not documented under federal law) unless DMV (1) created the certificate or (2) receives an application and fee for a certificate.

§ 7 — CERTIFICATE APPLICATION REQUIREMENTS

With exceptions specified in the act, only an owner can apply for a certificate of title. The owner must file and sign an application form prescribed by the DMV commissioner, containing:

1. the applicant's name, principal residential street address, and, if different, mailing address;
2. the name and mailing address of each other owner of the vessel;
3. the vessel's hull identification number or an application to the Department of Energy and Environmental Protection for one;

4. the vessel number or an application for one (existing law requires owners to register most vessels and obtain vessel registration numbers from DMV);
5. a description of the vessel as required by DMV, including (a) any official number assigned by the U.S. Coast Guard; (b) the manufacturer's, builder's, or maker's name; (c) the vessel's model year or the year its construction was completed; and (d) the vessel's length, type, hull material, and propulsion, engine drive, and fuel types;
6. all security interests in the vessel known to the applicant and the secured parties' names and mailing addresses;
7. a statement that the vessel is not a documented or foreign-documented vessel;
8. any title brand (a designation of previous damage, use, or condition described in a certificate) known to the applicant and the jurisdiction under whose law it was created;
9. if the application is made because of a transfer of ownership, the transfer date, sales price, and transferor's name, street address, and mailing address, if different;
10. a statement identifying any jurisdiction known to the applicant where the vessel was registered or titled previously; and
11. any further information the DMV commissioner reasonably requires to identify the vessel and determine whether (a) the owner is entitled to a certificate and (b) any security interests exist.

The act allows an application to contain the owner's, transferor's, or secured party's email address.

With specific exceptions, the act also requires the application to include a certificate of title signed by the owner shown on the certificate that (1) identifies the applicant as the owner or (2) is accompanied by a record that identifies the applicant as the owner. When there is no certificate of title, the owner must submit:

1. if the vessel was a documented vessel, a U.S. Coast Guard record showing the (a) vessel is no longer a documented vessel and (b) applicant is the owner;
2. if the vessel was a foreign-documented vessel, a record from the foreign country showing the (a) vessel is no longer a foreign-documented vessel and (b) applicant is the owner; or
3. in all other cases, a certificate of origin (a record created by a manufacturer or importer as proof of a vessel's identity, other than a builder's certificate), bill of sale, or other record that, to DMV's satisfaction, identifies the applicant as the owner.

The act makes a record submitted in connection with an application part of the application and requires DMV to keep the record in its files.

Under the act, DMV may also require payment or evidence of payment of any or all fees and taxes payable by the applicant under state law, other than fees paid in connection with the application or the vessel's acquisition or use.

§ 8 — CERTIFICATE CREATION, REJECTION, OR CANCELLATION

The act requires DMV to create a certificate for a vessel after delivery of an application that satisfies the act's requirements. But DMV must reject an application if the vessel is a documented or foreign-documented vessel. It can reject an application if:

1. it does not comply with the act or state law,
2. it does not contain sufficient documentation to determine whether the applicant is entitled to a certificate, or
3. there is a reasonable basis to conclude that the application is fraudulent or issuing a certificate would facilitate fraud or an illegal act.

The act allows DMV to cancel (make ineffective) a certificate it created if DMV:

1. could have rejected the application under the act's requirements,
2. must cancel it under the act's provisions, or
3. receives satisfactory evidence that the vessel is a documented or foreign-documented vessel.

§§ 9 & 29 — CONTENTS OF CERTIFICATE

The act requires a certificate of title to contain:

1. the date it was created;
2. the owner of record's name and mailing address and, if not all owners are listed, an indication that there are additional owners in DMV's files;
3. the hull identification number;
4. a description of the vessel, including the information the owner must submit in the application;
5. the name and mailing address of the secured party of record, if any, and, if there are unlisted secured parties, an indication that there are other security interests in DMV's files;
6. all title brands indicated in DMV files including those from a certificate created by another jurisdiction that was delivered to DMV (the certificate must state the jurisdiction that created the title brand or the certificate containing it and, if the title brand's meaning is not readily ascertainable or cannot be accommodated, state "previously branded in

(name of jurisdiction)"); and

7. other information the DMV commissioner requires.

The act permits DMV to note on a certificate the name and mailing address of a secured party that is not a secured party of record. DMV must indicate on the certificate that the vessel was registered or titled in a foreign country if information in DMV's files indicates it.

The act requires a written certificate of title to contain a form that (1) allows all owners indicated on the certificate to sign to consent to a transfer of an ownership interest and (2) includes a certification, signed under penalty of false statement, that the statements made are true and correct to the best of each owner's knowledge, information, and belief.

Statement About Security Interests

The act requires a certificate of title to state that the vessel may be subject to security interests not shown on the certificate when (1) Connecticut becomes the vessel's state of principal use in place of another state, (2) the vessel was not a documented or foreign-documented vessel immediately before the certificate application, and (3) the vessel's immediately previous state of principal use did not issue or does not require a certificate of title for the vessel.

§§ 8 & 11 — WRITTEN OR ELECTRONIC CERTIFICATES

The act imposes the following rules on creating written or electronic certificates.

1. If DMV creates electronic certificates of title, it can only issue a written one on application by the secured party of record (the secured party indicated in DMV's files or the first secured party indicated if there is more than one) or, if none, owner of record (the owner indicated in DMV's files or the first owner indicated if there is more than one).
2. DMV must send a written certificate to the secured party or owner of record at the person's address in DMV's files.
3. DMV must send a record evidencing an electronic certificate to the owner of record and, if there is one, secured party of record, at the person's mailing address or any electronic address indicated.
4. Creating a written certificate cancels an electronic certificate and DMV must maintain the date and time of cancellation in its files.
5. A person holding a written certificate must surrender it to DMV before DMV can create an electronic certificate.

6. If DMV creates an electronic certificate, it must destroy or cancel the surrendered written certificate and maintain the date and time of destruction or cancellation in its files. If a written certificate is not destroyed, DMV must indicate on the certificate's face that it has been cancelled.

§ 12 — CERTIFICATE AS EVIDENCE OF OWNERSHIP

The act makes a certificate of title prima facie evidence of the accuracy of the information in it and a certified copy of it prima facie evidence of ownership in a criminal proceeding.

§ 17 — INACCURATE OR INCOMPLETE INFORMATION

A certificate of title or other record required or authorized by the act is effective even if it contains incorrect information or does not contain required information, subject to the law regarding priority of security interests in goods covered by a certificate of title.

§ 21 — REPLACEMENT CERTIFICATES

When a written certificate of title is lost, stolen, mutilated, destroyed, unavailable, or illegible, the act allows the secured party of record or, if there is none in DMV's files, the owner of record, to apply for a replacement certificate. The application must be signed and, except as otherwise permitted by DMV, meet the requirements for an original application. It must include the existing certificate unless it is unavailable.

The act requires a replacement certificate to contain the same information as an original, with an indication that it is a replacement. If a person receiving a replacement certificate subsequently obtains the original written certificate, he or she must destroy the original.

§§ 10 & 33 — DOCUMENTS AND INFORMATION IN DMV FILES

For each record relating to a certificate of title, the act requires DMV to maintain (1) the hull identification number and (2) all the information submitted with the application to which the record relates, including the date and time the record was delivered to DMV. DMV must maintain the files for public inspection and index them.

DMV must maintain in its files (1) the information contained in all certificates it creates, searchable by the vessel's number, hull identification number, owner of record's name, and any other method DMV uses; (2) all title brands and names of secured parties and people

claiming an ownership interest that DMV knows about; and (3) all stolen-property reports received.

The act requires DMV to give federal, state, or local governments the information in its files relating to any vessel for which it issued a certificate, on request, for safety, security, or law-enforcement purposes.

The act makes information in a certificate of title a public record and allows DMV to disclose records related to vessels and their certificates of title. The law otherwise limits when DMV may disclose personal information or permit inspection of motor vehicle records containing personal information.

§ 24 — DMV RETENTION OF EVIDENCE AND INFORMATION

The act requires DMV to retain:

1. the evidence used to determine the accuracy of information in its files relating to the current ownership of a vessel and the information on the certificate of title and
2. all information received regarding a security interest in a vessel for at least 10 years after receiving a termination statement for the security interest, with the information accessible by hull identification number and other methods DMV uses.

§ 24 — REQUESTS TO DMV FOR INFORMATION

The act requires DMV to send or make available in a record certain information to anyone who requests it and pays all applicable fees. Generally, DMV must disclose whether its files include a certificate of title, security interest, termination statement, or title brand for a vessel identified by a hull identification or vessel number or owner. The information must be as of a date and time specified by DMV, but no more than 10 calendar days before receiving the request. For a request related to a vessel, DMV must provide:

1. the name and address of any owner or secured party in the files or on the certificate of title, the effective date of information related to a secured party, and a copy of any termination statement in the files and its effective date and
2. a copy of any vessel certificate of origin, secured party transfer statement, transfer-by-law statement, and other evidence of previous or current transfers of ownership.

The act allows DMV to provide requested information in any medium but, on request and payment of fees, must provide it in a written document.

Acknowledgment of Submissions

The act allows a person who submits a record or information to DMV to request an acknowledgment of the submission. DMV must send an acknowledgment showing the (1) hull identification number of the vessel to which the record or submission relates, (2) information in the filed record or submission, and (3) date and time the record was received or the submission was accepted. The request must contain the hull identification number and be delivered by DMV-authorized means.

§ 28 — DMV FEES

The act sets various DMV fees and charges, as displayed in Table 1. The act exempts from these fees vessels (1) leased to a state agency or (2) owned by the state, a state agency, or a municipality.

Table 1: DMV Fees Created by the Act

| <i>Document or Service</i> | <i>Fee</i> |
|---|------------|
| Application for certificate of title | \$25 |
| Security interest or assignment of one noted on a certificate or maintained in the electronic title file | \$10 |
| Record copy search | \$20 |
| Application for a replacement certificate (but a fee for the duplicate certificate is not required) | \$25 |
| Filing (1) notice of a security interest, (2) assignment of a security interest, or (3) termination statement relating to a security interest | \$10 |
| Filing (1) secured party's transfer statement or (2) transfer-by-law statement | \$25 |
| Filing application for transfer of ownership or termination of a security interest without a certificate of title | \$25 |
| Certificate of search of DMV records, for each name or hull identification number searched | \$20 |
| Search of a vessel certificate of title record, when requested by someone other than the vessel's owner of record | \$20 |
| Certified copy of any document, information, or record maintained or created by DMV | \$20 |

The act requires DMV to collect a penalty equal to the amount of the required fee if an application, certificate, or other document which the act requires to be delivered to DMV is not delivered within 10 days after its due date.

§§ 29-31 — DMV PROCEEDINGS, RULES, AND REGULATIONS

The act requires the DMV commissioner to prescribe and provide suitable forms for applications, certificates of title, notices of security interests, and all other notices and forms necessary to carry out the act's

provisions.

To carry out the act's provisions, the commissioner can (1) conduct necessary investigations to procure required information and (2) adopt and enforce reasonable rules.

The act requires the commissioner to adopt regulations about including title brands on certificates of title. The commissioner must consider whether special branding categories like "hull damaged" should be included. The act allows the commissioner to adopt regulations to (1) implement the act's provisions and (2) place additional indications on a certificate concerning the condition or status of a vessel's title.

These regulations must provide an opportunity for a hearing for anyone aggrieved by any DMV action, omission, or decision. Under the act, an aggrieved person (1) is entitled to an administrative hearing on request and (2) can appeal to the Superior Court in the judicial district of New Britain after completing the administrative proceedings.

§ 14 — SECURITY INTERESTS IN VESSELS

By law, a creditor's interest (a "security interest") can attach to the debtor's property. A secured party who "perfects" his or her security interest has priority over other parties, such as a creditor who gets a judicial lien, bankruptcy trustee, and others who later take a security interest in the collateral.

Under the act, a security interest in a vessel is generally the same as for other secured transactions. The act specifies that it does not include the special property interest of a buyer of a vessel on identification of that vessel to a contract for sale, but the buyer may also acquire a security interest by complying with the secured transaction laws. Except as provided in other law, the act provides that a seller's or lessor's rights under the Uniform Commercial Code to retain or acquire possession of the vessel is not a security interest, but he or she may acquire a security interest by complying with the secured transactions law. The retention or reservation of title by a seller of a vessel notwithstanding shipment or delivery to the buyer under the Uniform Commercial Code's provisions is limited to a reservation of a security interest.

Previously, a security interest in a vessel was usually perfected by filing a financing statement in the secretary of the state's office. The act instead requires filing an application with DMV (1) for a certificate of title or (2) to add a security interest to a certificate already created by DMV.

For an application for a certificate of title, the act specifies that identifying someone as owner, lessor, consignor, or bailor alone does not make someone a secured party.

When a DMV-issued certificate of title already exists, the act allows DMV to set the application form for perfecting an interest but requires it to include the owner's or secured party's signature and the:

1. owner of record's name;
2. secured party's name and mailing address;
3. vessel's hull identification number; and
4. certificate, if DMV created a written one.

When Security Interest Perfected

Under the act, perfection occurs on the later of the application's delivery and payment of applicable fees to DMV or attachment of the security interest under the law of secured transactions.

New Certificate

On delivery of an application and payment of applicable fees, the act requires DMV to create a new certificate and deliver it in the same way it creates an original certificate. DMV must maintain in its files the date and time of an application's delivery to the department.

Assignment

Under the act, if a secured party assigns a perfected security interest in a vessel, DMV need not receive a statement providing the assignee's name as a secured party to continue the perfected status of the security interest against creditors of, and transferees from, the original debtor. But a purchaser who obtains a release from the secured party indicated in the DMV files or on the certificate takes the vessel free of the security interest and the transferee's rights unless the transfer is indicated in DMV's files or on the certificate.

Exceptions from the Security Interest Requirements

The act excludes from these provisions security interests in a vessel:

1. that is inventory (a) held for sale or lease by the person creating the interest or (b) leased by the person as lessor if the person is in the business of selling vessels;
2. for which a certificate of title is not permitted; or
3. before delivery, if the vessel is under construction, or completed, pursuant to contract and for which no application for a certificate has been delivered to DMV.

Other Provisions

The act preserves perfection of a security interest for four months or until it is perfected under the act,

whichever is sooner, when (1) a certificate of documentation for a documented vessel is deleted or cancelled and (2) a security interest in the vessel was valid, immediately before deletion or cancellation, against a third party as a result of compliance with federal law.

For certain types of security interests in a vessel, the act specifies that the interest is perfected on attachment but becomes unperfected when the debtor possesses the vessel, unless the security interest was perfected before then under the act. This applies to Uniform Commercial Code provisions governing reservations of security interests after passage of title or a seller's shipment of goods and a buyer's or lessee's security interest on rejection of goods.

The act requires provisions of other secured transactions law to apply to security interests (1) in a vessel as proceeds of other collateral or (2) perfected under the law of another jurisdiction.

§ 15 — TERMINATION STATEMENT BY SECURED PARTY

Under the act, a security interest ceases to be perfected when a termination statement authorized by the secured party is delivered to DMV. The act sets the following rules for these termination statements.

1. A secured party must deliver a termination statement on a DMV-prescribed form to DMV and, on the debtor's request, to the debtor, within (a) 20 days after receiving a signed demand for a termination statement from an owner, when there is no obligation secured by the vessel and no commitment to make advances, incur obligations, or give value secured by the vessel or (b) if the vessel is a consumer good, 30 days after there is no obligation secured by the vessel and no commitment to make advances, incur obligations, or give value secured by the vessel.
2. When a termination statement is required and the secured party has a DMV-issued written certificate of title, the secured party must deliver the certificate to the debtor or DMV with the statement. If the certificate is lost, stolen, mutilated, destroyed, unavailable, or illegible, the act requires the secured party to deliver with the statement an application for a replacement certificate.
3. If the security interest was indicated on the certificate of title, DMV must create a new certificate and deliver it or a record evidencing an electronic certificate. DMV must maintain in its files the date and time the statement was delivered.

4. A secured party who does not comply with these requirements is liable for (a) any loss that the secured party had reason to know might result from failure to comply and that could not reasonably have been prevented and (b) the cost of an application for a certificate of title.

The act allows the DMV commissioner to require a secured party to submit a termination statement electronically.

§ 27 — SECURITY INTERESTS CREATED BEFORE JANUARY 1, 2016

A security interest enforceable before January 1, 2016 (the date the act takes effect) that has priority over the rights of someone who becomes a lien creditor at that time is a perfected security interest under the act. Under the act, a “lien creditor” is a creditor with a lien on the vessel by attachment, levy, or similar means; an assignee for benefit of creditors from the time of assignment; a bankruptcy trustee from the date the petition is filed; or a receiver in equity from the time of appointment.

A security interest in a vessel required to have a certificate of title under the act that is perfected before January 1, 2016 remains perfected until (1) the time perfection would end under the law that created the perfection or (2) January 1, 2019, whichever is earlier.

The act does not affect the priority of a security interest that was enforceable and perfected and had its priority established before January 1, 2016.

§ 23 — RIGHTS OF SECURED PARTIES

The act provides that perfection, nonperfection, and priority of a security interest with respect to a purchaser’s or creditor’s rights, including a lien creditor, are governed by the Uniform Commercial Code with the following exception.

If a security interest in a vessel is perfected under the act’s provisions and DMV creates a certificate of title that does not indicate that the vessel is subject to the security interest or contain a statement that it may be subject to security interests not indicated on the certificate:

1. a buyer of the vessel, other than someone in the business of selling or leasing vessels of that kind, takes it free of the security interest if the buyer, acting in good faith and without knowledge of the security interest, gives value and receives possession of the vessel and
2. the security interest is subordinate to a conflicting security interest in the vessel perfected under the act’s provisions after creation of the certificate and without the secured party’s knowledge of the conflicting

security interest.

§§ 16 & 18-20 — TRANSFERS

§ 16 — *Voluntary Transfer of Ownership Interest*

The act sets the following rules for voluntarily transferring an ownership interest in a vessel covered by a certificate of title.

1. If the certificate of title is written and notes the transferor’s interest, the transferor must sign it and deliver it to the transferee. If the transferor does not possess the certificate, the person who does must help the transferor comply with this requirement. A secured party does not have a duty to do so if the security agreement prohibits the proposed transfer.
2. If the certificate of title is electronic, the transferor must sign and deliver to the transferee a record showing the transfer of ownership.
3. The transferee can require the transferor to perform these duties to meet these requirements.

Creating a certificate of title that identifies the transferee as the owner of record satisfies the act’s requirements.

Failing to comply with these provisions or apply for a new certificate does not make the transfer ineffective. But, except as otherwise provided by the act, a transfer that does not comply with these provisions is not effective against another person claiming an interest in the vessel.

The act provides that a transferor who complies with these provisions is not liable as an owner for events occurring after the transfer, regardless of whether the transferee applies for a new certificate of title.

§ 18 — *Secured Party’s Transfer Statement*

The act allows a secured party to file a “secured party’s transfer statement” with DMV when the secured party of record (the first secured party indicated in DMV’s files) has a right to transfer ownership in the vessel due to default on an obligation.

Under the act, the secured party must sign the statement which indicates:

1. there has been a default on an obligation to the secured party of record secured by the vessel;
2. that party is exercising or has exercised post-default remedies with respect to the vessel and, as a result, has the right to transfer an owner’s interest (and must state the owner’s name);
3. the name and last-known mailing address of the owner of record and the secured party of record;
4. the transferee’s name;

5. other information that the act requires in an application for a certificate; and
6. that either the (a) certificate of title is electronic or (b) the secured party is delivering the written certificate of title to DMV with the transfer statement or does not possess the written certificate created in the owner of record's name.

After delivery of the statement to DMV, and payment of fees and taxes other than under the act, connected with the statement or the acquisition or use of the vessel, the act requires DMV to:

1. accept the statement;
2. amend its files to reflect the transfer; and
3. if the name of the owner whose ownership interest is being transferred is indicated on the certificate of title, (a) cancel the certificate even if it has not been delivered to DMV, (b) create a new certificate with the transferee as owner, and (c) deliver the new certificate or a record evidencing an electronic certificate.

The act allows DMV to reject a secured party's transfer statement if (1) the application does not comply with the act's or existing law's requirements, (2) the application lacks information to determine whether the applicant is entitled to a certificate, or (3) there is a reasonable basis to conclude that the application is fraudulent or issuance would facilitate fraud or illegal acts.

An application for or the creation of a certificate of title under these provisions does not dispose of the vessel or relieve the secured party of its duties under the law on secured transactions.

§ 19 — Transfer by Operation of Law

The act allows a transferee to sign a "transfer-by-law statement" stating that he or she has acquired or has the right to acquire an ownership interest in a vessel pursuant to law or judicial order (1) because of death, divorce, or other family law proceeding, merger, consolidation, dissolution, or bankruptcy; (2) by exercising the rights of a lien creditor or a person having a lien created by statute or rule of law; or (3) through some other legal process.

Under the act, the statement must contain:

1. the name and last-known mailing address of the owner of record and transferee and other information required in an application for a certificate;
2. documentation sufficient to establish the transferee's ownership interest or right to acquire the ownership interest;
3. a statement that the (a) certificate of title is electronic or (b) transferee is delivering the written certificate to DMV with the statement

4. or does not possess the written certificate created in the name of the owner of record; and
4. except for transfers because of death, divorce, or other family law proceeding, merger, consolidation, dissolution, or bankruptcy, evidence that notification of the transfer and the intent to file the statement has been sent to all people indicated in DMV's files as having an interest, including a security interest, in the vessel.

The act requires DMV to accept the statement after delivery and payment of fees and taxes, except for those under the act. DMV must also:

1. amend its files to reflect the transfer and
2. if the name of the owner whose interest is being transferred is indicated on the certificate of title, (a) cancel the certificate even if it has not been delivered to the department, (b) create a new certificate indicating the transferee as owner, (c) indicate on the new certificate any security interest indicated on the cancelled certificate, unless a court order provides otherwise, and (d) deliver the new certificate or a record evidencing an electronic certificate.

The act allows DMV to reject a transfer-by-law statement for the same reasons it may reject a secured party's transfer statement or if the statement does not include satisfactory documentation as to the transferee's ownership interest or right to acquire the ownership interest.

The act specifies that these provisions do not apply to a transfer of an interest in a vessel by a secured party on default.

§ 20 — Application for Transfer of Ownership or Termination of Security Interest Without Certificate

If DMV receives an application for a new certificate due to transfer of ownership or a termination statement from a secured party, without a signed certificate, the act allows DMV to create a new certificate if the:

1. act's requirements for creating a certificate are met;
2. applicant provides an affidavit showing he or she is entitled to a transfer of ownership or termination statement;
3. (a) applicant provides satisfactory evidence in a DMV-prescribed form that notification of the application was sent to the owner of record and all people indicated in DMV's files as having an interest in the vessel, (b) at least 45 days have passed since notice was sent, and (c) DMV has not received an objection; and

4. applicant submits any other information DMV requires as evidence of ownership or the right to terminate a security interest and there is no credible information of theft, fraud, or an undisclosed or unsatisfied security interest, lien, or other claim to an interest in the vessel.

The act requires DMV to indicate on a new certificate that it was created without having a signed certificate or termination statement. If DMV does not receive credible information of theft, fraud, or an undisclosed or unsatisfied claim within one year after creating the certificate, it must remove the indication from the certificate on request in a form and manner it requires.

Before creating a new certificate for a vessel with a value of at least \$5,000 as determined by DMV, the act allows DMV to require the applicant to post a bond or provide an indemnity or security equal to twice the vessel's value. The bond, indemnity, or security must be in a form required by DMV and provide for indemnification of any owner, purchaser, or claimant for any expense, loss, delay, or damage. This includes reasonable attorney's fees and costs but not incidental or consequential damages from creating or amending the certificate.

If DMV does not receive a claim within one year of creating a certificate, the act requires it to release any bond, indemnity, or security on request in a form and manner it requires.

§§ 3-4, 13, & 25-27 — APPLICATION OF THE ACT'S PROVISIONS

The act provides the following rules for applying its provisions.

1. The act applies to any transaction, certificate of title, or record relating to a vessel, even if the transaction was entered into or the document was created before January 1, 2016.
2. The rights, duties, and interests from a transaction, certificate of title, or record relating to a vessel that was validly entered into or created before January 1, 2016 that would have been subject to the act's provisions if occurring after that date, remain valid.
3. The act does not affect an action or proceeding begun before January 1, 2016.
4. Unless the act's provisions provide otherwise, the principals of law and equity supplement them.

The act specifies that:

1. possession of a certificate of title does not, by itself, provide a right to obtain possession of a vessel;

2. garnishment, attachment, levy, replevin, or other judicial process against the certificate is not effective to determine possessory rights to the vessel;
3. it does not prohibit enforcement under other law of a security interest in, levy on, or foreclosure of a lien on a vessel; and
4. absence of an indication of a lien on a certificate does not invalidate the lien.

In applying and construing its provisions, the act requires consideration of the need to promote uniformity with respect to its subject matter among states that have enacted the uniform provisions.

The act provides that it modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (E-SIGN). But it does not (1) modify, limit, or supersede E-SIGN's provisions on consumer disclosures (such as when consumers are considered to have consented to electronic disclosures) or (2) authorize electronic delivery of specified notices that are not subject to E-SIGN.

§ 22 — BUYERS IN THE ORDINARY COURSE OF BUSINESS

The act provides that a buyer in the ordinary course of business has certain protections under the Uniform Commercial Code even if (1) an existing certificate of title has not been signed and delivered to the buyer or (2) a new certificate listing the buyer as owner of record was not created. The protections concern (1) goods entrusted to a merchant with power to transfer rights to a buyer in the ordinary course of business and (2) buyers in the ordinary course generally taking goods free of a security interest created by the seller even if the security interest is perfected and the buyer knows about it.

Except as otherwise provided in the act, the act specifies that the rights of a vessel's purchaser, who is not a buyer in the ordinary course of business or a lien creditor, are governed by the Uniform Commercial Code.

§ 32 — PENALTIES FOR FRAUD

The act punishes, with one to five years in prison, a fine of \$500 to \$1,000, or both, anyone who, with fraudulent intent:

1. alters, forges, or counterfeits a certificate of title;
2. alters or forges an assignment of a certificate of title or an assignment or release of a security interest or a termination statement, on a certificate of title or DMV form;
3. possesses or uses a certificate of title knowing it is altered, forged, or counterfeited; or

4. uses a false or fictitious name or address, makes a material false statement, fails to disclose a security interest, or conceals any other material fact in an application for a certificate of title.

The act punishes, with up to two years in prison, a fine of up to \$1,000, or both, anyone who:

1. with fraudulent intent, permits someone who is not entitled to do so to use or possess a certificate of title;
2. willfully fails to deliver an application for a certificate to DMV within 10 days after the time required by the act;
3. willfully fails to deliver to a transferee a certificate of title within 10 days after the time required by the act; or
4. willfully violates any of the act's provisions where the act does not otherwise provide a criminal penalty.

PA 14-68—SB 34

Transportation Committee

Public Safety and Security Committee

AN ACT CONCERNING THE CERTIFICATION OF HOUSEHOLD GOODS CARRIERS

SUMMARY: This act adds an applicant's criminal history and financial stability to factors the Department of Transportation (DOT) must consider when deciding whether to allow the applicant to operate a moving company. It eliminates, as such a factor, the public need for the service.

By law, someone seeking to operate a moving company must obtain a certificate of public convenience and necessity from DOT. In deciding whether to issue such a certificate, DOT must consider, in addition to the applicant's criminal history and financial stability:

1. the applicant's suitability, financial responsibility, and ability to efficiently perform the service;
2. existing motor transportation facilities and the effect on them of granting a certificate;
3. the condition of, and effect on, the involved highways; and
4. public safety on those highways.

The law presumes that public convenience and necessity require the operation of a moving company if it appears that no moving company serves the route or routes an applicant seeks. But DOT cannot refuse to issue a certificate solely because another moving company already serves the area.

EFFECTIVE DATE: July 1, 2014

PA 14-130—sHB 5290

Transportation Committee

Appropriations Committee

AN ACT REVISING MOTOR VEHICLE LAWS

SUMMARY: This act makes a number of changes in the motor vehicle laws. Among other things, it:

1. requires police to report to the Department of Motor Vehicles (DMV) the arrest on certain charges of a person whose driver's license allows him or her to transport members of the public (§ 9);
2. allows DMV to develop an expedited licensing procedure for which it may charge up to \$75 (§ 13);
3. requires police, within 48 hours of being notified that a vehicle has been towed from private property, to enter the information into national and state databases to determine if the vehicle was reported stolen (§ 21);
4. allows someone whose noncommercial driver's license allows him or her to carry passengers (e.g., taxi driver or student transportation vehicle (STV) driver) to renew his or her license if he or she is controlling an otherwise disqualifying medical condition with medication and is eligible for a waiver or exemption under federal regulations (§ 29);
5. makes a number of changes in commercial driver's license (CDL) laws, including (a) requiring CDL holders to retake driving and written tests if the DMV commissioner suspects they obtained a CDL fraudulently and (b) eliminating the \$17.50 partial-year fee for CDLs (§§ 10-11);
6. bars the commissioner from issuing or renewing a motor vehicle dealer's or repairer's license if the Department of Revenue Services reports the applicant or licensee is delinquent in paying sales taxes (§ 15);
7. requires the commissioner to assign as many motor vehicle inspectors as she needs to inspect school buses and investigate accidents and complaints involving them, rather than requiring her to create eight inspection districts and allowing her to add six inspectors for these purposes (§ 26);
8. allows, with certain exceptions, the commissioner to limit the number of days for which a garage may charge a motor vehicle owner for storing the vehicle (§ 27); and
9. requires licensed motor vehicle dealers and repairers to produce their records, at DMV's request, during business hours on the day DMV

requests them, rather than within three business days (§§ 16 & 19).

The act makes other changes in laws affecting garage owners, wrecker owners, licensed motor vehicle dealers and repairers, and STVs. It also makes technical and conforming changes, including reorganizing the law on evading responsibility and illegal racing.

EFFECTIVE DATE: Various, see below.

§ 1 — TAXIS CANNOT BE MORE THAN 10 YEARS OLD

The act bars DMV from registering a motor vehicle as a taxi if it is more than 10 model years old. Any validly registered taxi that is older than 10 model years old during its registration period may continue as a taxi until its two-year registration expires.

EFFECTIVE DATE: Upon passage

§§ 2, 5-7, & 9 — PUBLIC PASSENGER ENDORSEMENTS

The act renames a “public passenger transportation permit” as a “public passenger endorsement.” This endorsement allows a license holder to transport passengers, including students, in vehicles specified by law, including school buses, STVs, activity vehicles, taxis, and vehicles in livery service. The act makes conforming changes in statutes that, among other things, (1) bar 16- and 17-year-old drivers from holding such an endorsement and (2) prohibit DMV from issuing a special operator’s permit allowing the holder to drive such vehicles.

EFFECTIVE DATE: Upon passage

§ 3 — REGISTRATION CONSENT AGREEMENTS

By law, the DMV commissioner may enter into a consent agreement with a motor vehicle owner whose registration she suspended for failing to carry proper insurance if the owner (1) does not contest the determination, (2) shows he or she has obtained insurance, and (3) pays a \$200 penalty. The consent agreement requires that, unless the owner does not maintain the insurance, DMV (1) not suspend the registration, or (2) rescind a registration it has suspended.

Under the act, a vehicle owner who shows he or she obtained proper insurance and paid the penalty waives his or her ability to contest a finding that he or she failed to maintain proper insurance, regardless of whether the owner signed a consent agreement when paying the penalty. All of the consent agreement’s terms and conditions apply to the owner.

EFFECTIVE DATE: July 1, 2014

§ 4 — ADULT INSTRUCTION PERMIT EXEMPTION

By law, most people age 18 or older learning to drive must hold an adult instruction permit for at least 90 days before getting a driver’s license. Prior law exempted from this 90-day minimum someone who previously held a Connecticut license. The act broadens the exemption to include people age 18 or older who previously held a driver’s license from any jurisdiction.

EFFECTIVE DATE: Upon passage

§ 8 — ORGAN DONATIONS

Under the act, DMV must require applicants for driver’s licenses or identity cards to indicate whether they consent or decline to be organ donors. Prior law required only that an applicant be given the opportunity to become an organ donor.

EFFECTIVE DATE: October 1, 2014

§ 9 — EXPANDING POLICE REPORTING REQUIREMENTS

The act requires police to report to DMV, within 48 hours, the arrest of anyone on (1) felony charges or (2) a charge of fourth-degree sexual assault, whose driver’s license permits him or her to transport members of the public (e.g., school bus driver, bus driver, taxi driver, or livery service driver). Prior law required police to report such arrests only for drivers who transported school children.

EFFECTIVE DATE: Upon passage

§ 10 — COMMERCIAL DRIVER’S INSTRUCTION PERMIT REQUIREMENTS

The act prohibits, starting July 1, 2015, the DMV commissioner from administering a CDL road test unless an applicant has held a commercial driver’s instruction permit for at least 14 days. It also makes minor and technical changes to conform state to federal law (for example, making commercial driver instruction permits and one additional reissuance or renewal valid for 180 days, instead of six months).

Also starting July 1, 2015, the act requires any holder of a commercial driver’s instruction permit who did not obtain a CDL before his or her reissued or renewed permit expired, to retake (1) the CDL written test and (2) any applicable license endorsement written tests.

EFFECTIVE DATE: July 1, 2015

§ 11 — CONFORMING STATE CDL LAW TO FEDERAL REGULATIONS

The act conforms state law to federal CDL regulations regarding fraud and false information (49 CFR § 383.73(j) & (k)). Under federal law, states must comply with these regulations (49 USC § 31311).

The act requires the commissioner to deny, or disqualify for 60 days, a CDL instruction permit or CDL if she finds the applicant or holder gave false information on any certification he or she provided concerning the permit or license application.

If the commissioner suspects an applicant or holder of fraud related to the issuance of a CDL or permit, she must so notify the applicant or holder, who must schedule CDL written and driving tests within 30 days after receiving the notice. If the applicant or holder fails to schedule or pass both tests, his or her permit or license is disqualified, and he or she must reapply. The commissioner must disqualify for one year, from the date of the applicant's or holder's conviction, the permit or license of any applicant or holder convicted of fraud related to the issuance of the permit or license, and the holder or applicant must retake the tests.

Under existing law, if the commissioner finds an applicant or holder supplied false information to obtain a CDL she must not issue the CDL or must suspend it for at least 60 days and until the applicant or holder supplies the correct information (CGS § 14-44f).

EFFECTIVE DATE: October 1, 2014

§ 12 — CDL DRIVER HISTORY AND ELIMINATING THE CDL PARTIAL-YEAR FEE

The act eliminates a requirement that someone renewing a CDL for the first time provide the commissioner with the names of the states in which he or she has held a driver's license. Existing law, unchanged by the act, requires (1) a driver applying for his or her initial CDL to identify any states in which he or she has held a driver's license in the previous 10 years (CGS § 14-44c (a)(8)), and (2) the commissioner to request a renewal applicant's driving history from any state in which the applicant held a license in the preceding 10 years.

The act eliminates the partial-year fee for CDLs. By law, the fee for a CDL, which expires four years following the date of the holder's next birthday, is \$70. Under prior law, DMV could charge applicants an additional partial-year fee of \$17.50 for licenses that did not expire until more than four years after issuance (e.g., someone who got a license in January, but whose birthday is in September).

EFFECTIVE DATE: October 1, 2014

§ 13 — CREATING AN EXPEDITED LICENSING PROCEDURE

The act authorizes the commissioner to adopt procedures to issue licenses more quickly, and to charge up to \$75 for this service. It eliminates a provision requiring the commissioner to waive, at the request of a fire department chief, the test fee for a fire department member who applies for a class 1 operator's license. The state no longer issues these licenses.

EFFECTIVE DATE: January 1, 2015

§ 14 — RESTRICTING THE USE OF DEALER AND REPAIRER SURETY BONDS

By law, licensed new and used car dealers, repairers, and certain motor vehicle rental firms must furnish a cash or surety bond as indemnity against any loss someone incurs because the licensee (1) committed an act that constitutes grounds for license suspension or revocation or (2) went out of business. The act restricts the use of these bonds to losses incurred by a customer of a dealer, repairer, or rental firm. It explicitly excludes from those entitled to such indemnification any (1) person, firm, or corporation that finances a licensed dealer's motor vehicle inventory and (2) licensed dealer, who, in his or her capacity as a dealer, buys motor vehicles from, or sells motor vehicles to, another licensed dealer.

EFFECTIVE DATE: July 1, 2014

§ 15 — REFUSING TO ISSUE OR RENEW A DEALER OR REPAIR LICENSE BECAUSE OF DELINQUENT SALES TAXES

The act prohibits the commissioner, after notice and a hearing, from granting or renewing a motor vehicle dealer or repairer license to a license applicant or licensee the Department of Revenue Services reports is delinquent in paying sales taxes for any business from which the payment was required.

EFFECTIVE DATE: July 1, 2014

§ 16 — SAME-DAY PRODUCTION OF DEALER AND REPAIRER RECORDS

The act allows licensed motor vehicle repairers, at DMV's discretion, to keep their records, forms, and documents in electronic form, as the law already allows licensed motor vehicle dealers to do. It requires these dealers and repairers to produce these records, forms, and documents in written form, at DMV's request, during business hours on the day DMV requests them. Prior law gave dealers three business days to produce these documents. By law, the commissioner may suspend or revoke the license of, or impose a civil penalty of up to \$1,000 for each violation on, a licensee

who fails to (1) comply with DMV's record-keeping requirements or (2) allow DMV to inspect its records (CGS § 14-64).

EFFECTIVE DATE: July 1, 2014

§ 17 — SALES ORDERS AND INVOICES TO INCLUDE CERTAIN DEALER INFORMATION

The act requires sales orders and invoices for the sale of motor vehicles to include the dealer's legal name, address, and license number, in addition to other information the law already requires, such as sale price, finance charges, and dealer conveyance or processing fees.

EFFECTIVE DATE: July 1, 2014

§ 18 — CHANGING THE EFFECTIVE DATE OF DEALER REGULATIONS

The act changes the date that DMV regulations on licensed motor vehicle dealers and repairers take effect. Under prior law, these regulations took effect 10 days after a copy of them was mailed to affected licensees. The act eliminates this provision, thereby requiring the regulations to take effect when the secretary of the state's office posts them online, unless otherwise specified (CGS § 4-172).

EFFECTIVE DATE: Upon passage

§ 19 — REQUIRING ADDITIONAL INFORMATION ON TOWS

The act adds to and replaces some of the information a wrecker owner must keep in his or her records. It requires the owner to (1) record the registration number of each wrecker used to tow or transport a vehicle and (2) note the wrecker's mileage at the start and end of the tow, instead of the total miles traveled during the tow. The law already requires the owner to provide other information, such as the registration number of each vehicle towed and the date and time of the tow.

The act requires licensed motor vehicle dealers who operate a wrecker service to produce any records, documents, or forms in written form, at DMV's request, during business hours on the same day DMV asks for them. Prior law allowed the dealers three business days to produce this information. It makes a violation of any of the act's or law's record-keeping requirements an infraction (see Table on Penalties).

EFFECTIVE DATE: October 1, 2014

§ 20 — ELIMINATION OF CERTAIN REQUIREMENTS FOR DRIVING INSTRUCTORS

The act eliminates a requirement that licensed driving instructors, in the three years after getting their

initial license, either (1) attend annual DMV-sponsored traffic safety seminars or (2) take a DMV-approved 45-hour advanced instructor traffic safety course. Under prior law, an instructor had to show he or she had complied with this requirement to renew his or her instructor's license.

EFFECTIVE DATE: July 1, 2014

§§ 21 & 22 — NEW REQUIREMENTS FOR POLICE AND GARAGES ON VEHICLES TOWED FROM PRIVATE PROPERTY

By law, licensed wrecker owners or operators must notify local police departments within two hours after towing a motor vehicle from private property, and may not charge a storage fee for the time before they submit this notification. The act requires the police, within 48 hours after receiving this notice, to (1) enter the Vehicle Identification Number (VIN) into the National Crime Information Center database and the Connecticut On-Line Law Enforcement Communications Teleprocessing System to determine if the vehicle was reported stolen and (2) if it was, immediately notify the police department that reported the theft.

Under the act, if no one claims a towed vehicle within 48 hours, the licensee or operator of the wrecker or the garage where the vehicle is stored must immediately complete a notice of the tow and mail a copy to the vehicle's owner and all lien holders of record. He or she must send this notification, on a form the DMV commissioner prescribes, by certified mail, return receipt requested. As under prior law, someone who violates these laws faces a fine of \$50 for a first offense, which is an infraction. Each subsequent offense is punishable by a fine of between \$50 and \$100, up to 30 days in prison, or both.

Under prior law, the owner or keeper of a garage where a motor vehicle was stored had a lien on the vehicle for his or her towing and storage charges. The act provides garage owners more flexibility in obtaining liens, allowing them to obtain such a lien for their towing charges, storage charges, or both. The act thus allows a garage owner to obtain a lien even if he or she did not tow the vehicle.

By law, the garage owner may sell the vehicle to recoup these charges after (1) 15 days if the vehicle's market value is \$1,500 or less and (2) 45 days if its value exceeds \$1,500. Prior law required the owner to notify the vehicle owner (if the owner's address was known) and any lien holders, at least five days before the sale, of the time and place of sale by registered or certified letter, postage paid. The act changes the method by which the garage owner must notify the vehicle's owner and lien holders to certified mail, return receipt requested, but retains the five-day notice requirement.

By law, if the vehicle owner does not claim a stored vehicle within 30 days, the garage owner must, within 40 days after placing the vehicle in storage, send the commissioner written notice of the storage, containing certain information. The act requires the garage owner to include in this information the vehicle's VIN, rather than its engine and chassis numbers.

Finally, the act authorizes the commissioner to adopt regulations (1) specifying the circumstances in which title to a towed or stored vehicle, or a vehicle both towed and stored, may be transferred to the person, firm, or corporation towing or storing it and (2) establishing a procedure for that person, firm, or corporation to obtain title to the vehicle.

EFFECTIVE DATE: July 1, 2014

§ 23 — DEEMING COMMERCIAL MOTOR VEHICLE INSURANCE COVERAGE SUFFICIENT

The law requires owners of commercial motor vehicles (e.g., large trucks and buses) to annually file evidence with DMV that they have properly insured each such vehicle. The commissioner may also verify this information through an insurance company. The act requires the commissioner to accept this evidence or verification as proof that the vehicle owner has insurance coverage in the amounts required by applicable state or federal law (49 CFR § 387).

EFFECTIVE DATE: October 1, 2014

§ 24 — TITLE NOT REQUIRED FOR VEHICLES MORE THAN 20 YEARS OLD

The act exempts owners of motor vehicles more than 20 model years old from the need to get a title certificate, and allows, but does not require, the commissioner to issue title certificates for these vehicles. Under prior law, owners were not required to obtain title certificates for vehicles manufactured before 1981 and issuance of title for vehicles manufactured before that date was left to the commissioner's discretion.

EFFECTIVE DATE: October 1, 2014

§§ 25 & 31-39 — REORGANIZING THE LAW ON EVADING RESPONSIBILITY AND RACING

The act reorganizes state law on evading responsibility and racing, dividing it into four subsections according to whether such violations result in (1) death, (2) serious physical injury, (3) physical injury (see BACKGROUND), or (4) property damage. The changes are technical and conforming. The act does not change the law or penalties.

EFFECTIVE DATE: October 1, 2014

§ 26 — ASSIGNING DMV INSPECTORS TO INSPECT SCHOOL BUSES

The act requires the DMV commissioner to assign as many motor vehicle inspectors as she finds necessary to (1) inspect school buses and STVs, (2) investigate (a) accidents involving these vehicles and (b) complaints against school bus and STV owners and drivers, and (3) coordinate various school bus safety programs. It eliminates language (1) requiring that she establish eight inspection districts and (2) allowing her to add six inspectors, for these purposes.

EFFECTIVE DATE: Upon passage

§ 27 — LIENS BY GARAGE OWNERS

By law, a vehicle owner whose vehicle is in the custody of a person who holds a lien on it (e.g., a garage owner whose garage has repaired it) may apply in writing to Superior Court to dissolve the lien (and recover the vehicle) if the vehicle owner substitutes a surety bond for the vehicle. Under the act, if a vehicle owner does not apply for such dissolution within 30 days after a garage's work on the vehicle is completed, the garage owner must immediately notify DMV in writing. Prior law required the garage owner to notify DMV, but set no deadline to do so. The act requires the garage owner to send DMV, along with other information, the vehicle's VIN, instead of its engine and chassis numbers.

The act allows a garage owner to charge the vehicle owner for the 30 days storage immediately following the completion of repairs. But it allows the commissioner to limit the number of days for which a garage owner may charge the vehicle owner for storage between (1) the end of that 30-day period and (2) when the garage owner sends the above notice to DMV. The commissioner may not set such a limit if the garage owner can show that the time accrued because of the garage owner's (1) reliance on the vehicle owner's statements or representations or (2) good faith efforts to negotiate the vehicle's return.

The act also changes the method by which the garage owner must send certain notices to (1) each lienholder and (2) the vehicle owner. In each case, the act requires notice to be sent by certified mail, return receipt requested, instead of by registered or certified letter, postage paid.

EFFECTIVE DATE: July 1, 2014

§ 28 — REMOVING "CARRYING SCHOOL CHILDREN" SIGNS OPTIONAL WHEN NOT TRANSPORTING CHILDREN

By law, an STV (1) must display a sign indicating it is "carrying school children" when it is carrying children to and from school or school activities and (2)

may display such a sign when carrying children to and from camps or other non-school activities. Other motor vehicles, except for registered school buses, not owned by a public, private, or religious school, or under contract to such a school, may display such a sign when carrying school children to and from school or school activities.

Prior law required that these portable signs be removed or covered when an STV or other vehicle was not being used for the purposes that require or allow the signs to be displayed. The act allows, but does not require, these signs to be removed or covered when these vehicles are not being used for such purposes.

EFFECTIVE DATE: July 1, 2014

§ 29 — MEDICAL QUALIFICATION OF DRIVERS OF CERTAIN PASSENGER VEHICLES

Federal regulations require that drivers (1) hold a CDL to drive commercial motor vehicles (large trucks and buses) and (2) seeking to renew a CDL must provide the state with a current medical certificate indicating they can safely drive those vehicles. State law requires drivers who do not need a CDL, but only a noncommercial license with certain passenger endorsements (e.g., a taxi or livery driver) to comply with these federal medical requirements (see BACKGROUND).

The act requires DMV to renew a noncommercial license with such a passenger endorsement for an applicant who (1) is taking medication to control a medical condition that would otherwise disqualify him or her from getting such a license and (2) would qualify for a waiver or exemption under federal regulations (49 CFR § 391). A licensed physician must certify that the applicant is controlling the medical condition.

EFFECTIVE DATE: October 1, 2014

§ 30 — ELIMINATING THE SURCHARGE FOR VIN INSPECTION FEES

This act eliminates a \$5 surcharge on a \$10 administrative fee DMV charges to electronically inspect a VIN. The surcharge went into the Special Transportation Fund.

EFFECTIVE DATE: Upon passage

BACKGROUND

§ 25 — *Injury and Serious Injury*

By law, “physical injury” means impairment of physical condition or pain. “Serious physical injury” means physical injury that creates a substantial risk of death or that causes serious (1) disfigurement, (2) impairment of health, or (3) loss or impairment of the function of any bodily organ (CGS § 53a-3).

§ 29 — *Passenger License Endorsements for Noncommercial Licenses*

State law allows holders of noncommercial driver’s licenses bearing certain endorsements to drive activity vehicles, STVs, taxis, vehicles in livery service, and service or motor buses.

An “F” endorsement allows a driver to carry passengers in a taxi, vehicle in livery service, service bus, or motor bus.

An “A” endorsement allows a driver to carry passengers in an “activity vehicle,” as well as in any of the vehicles for which an “F” endorsement is required.

A “V” endorsement authorizes a driver to carry passengers in an STV, as well as in any of the vehicles for which an “A” or “F” endorsement is required.

By law, (1) an activity vehicle is an STV that carries students in connection with school-sponsored events and activities, but not to and from school; (2) an STV is a motor vehicle, other than a registered school bus, used to carry students to or from school, school programs, or school-sponsored events; and (3) a service bus is a vehicle, except a vanpool vehicle or school bus, designed and regularly used to carry at least 10 passengers when used in private service without charging individual passengers a fee (CGS §§ 14-1, 14-36a, & 14-212).

PA 14-199—sSB 235

Transportation Committee

Judiciary Committee

Energy and Technology Committee

AN ACT CONCERNING REVISIONS TO THE TRANSPORTATION STATUTES

SUMMARY: This act makes a number of changes in transportation-related laws. Among other things, it:

1. allows the Connecticut Airport Authority (CAA) executive director to opt out of certain state benefits and allows CAA to establish and pay for its own benefit plans (§ 9);
2. exempts certain CAA employees from the occupational licensing system (§ 10);
3. creates an advisory committee to consult with CAA on Bradley International (§ 11);
4. authorizes fare inspectors to enforce fares on state-owned or -controlled buses (§§ 1 & 2);
5. reduces the penalty for intentionally riding a public bus without paying the fare (§§ 3 & 4);
6. requires the Department of Transportation (DOT) to study (a) chemical road treatments, (b) challenges to access at Rentschler Field, and (c) the for-hire transportation service industry (§§ 6, 18, & 19);

7. requires background checks for certain interstate livery vehicle operators (§ 16);
8. exempts certain state facilities from the Leadership in Energy and Environmental Design (LEED) standards (§ 5); and
9. allows for (a) the construction of at-grade railroad crossings in East Hartford and Waterbury and (b) the use of wayside horns, rather than train horns, at at-grade railroad crossings (§§ 7, 8, & 17).

The act also allows for the construction of brewery, winery, and agricultural signs within 300 feet of a state highway and adds certain service buses for students with special needs to the list of commercial vehicles permitted on the Wilbur Cross and Merritt parkways. Additionally, the act requires that a portion of Saybrook Road in Middletown be classified as an urban minor arterial.

EFFECTIVE DATE: Upon passage, except for the sections regarding fare inspectors and theft of public bus service, which are effective October 1, 2014.

§§ 9-11 — CONNECTICUT AIRPORT AUTHORITY (CAA)

§ 9 — *Executive Director Benefits*

The act allows CAA to offer to its executive director the choice to opt out of state retirement or group welfare benefits. He or she may be given this option only once and the choice is irrevocable. If the executive director chooses to opt out of either benefit, he or she is ineligible to participate in the corresponding state plan while employed by the authority.

Under the act, CAA may establish its own retirement plans and group welfare benefits for an executive director opting out of the state plan. The State Employees Retirement Commission, comptroller, attorney general, and insurance commissioner cannot approve or oversee CAA plans. The act specifies that CAA is responsible for all costs, fees, contributions, or other expenses of the executive director's benefits.

§ 10 — *Occupational Licensing*

Under the act, employees of CAA who are covered by a state bargaining agreement are exempt from the law applying to occupational tradesmen (see **BACKGROUND**).

§ 11 — *Advisory Committee*

The act also requires the CAA executive director to establish an advisory committee of up to six members that he or she will consult with on matters relating to Bradley International Airport. Two of the committee members are appointed by legislators on the

Transportation Committee, one by the co-chairs and one by the ranking members. The act does not specify who appoints the remaining members, but presumably they are appointed by the executive director. The committee must consist of residents of and representatives from businesses in the Bradley Airport development zone, and committee members are permitted to attend CAA's public and monthly managers' meetings.

§§ 1-4 — FARE ENFORCEMENT ON PUBLIC BUSES

§§ 1 & 2 — *Fare Inspectors*

The act authorizes fare inspectors to issue citations to people who deliberately ride a state-owned or -controlled public bus without paying the required fare. Fare inspectors may be employees of either DOT or a third-party contractor. They are responsible, when all or part of the fare must be paid before boarding the bus, for inspecting tickets, passes, or other documentation proving an individual paid the appropriate fare.

§§ 3 & 4 — *Theft of Public Bus Services*

Under prior law, intentionally obtaining bus service without payment was larceny and punishable, depending on the value of the service stolen, by fines and imprisonment. For example, theft of a service valued at \$500 or less is larceny in the sixth degree, which is a class C misdemeanor. For state-owned and -controlled buses, this act reduces the offense to an infraction, for which the penalty is a fine payable by mail (see Table on Penalties).

§ 16 — BACKGROUND CHECKS FOR INTERSTATE LIVERY COMPANIES

By state law, any person, limited liability corporation, or corporation authorized by the Federal Highway Administration to operate a motor vehicle for charter and special operation must register with DOT for interstate operation. The act requires such operators to undergo a state and national criminal history records check and provide the results to DOT before registration.

§§ 6, 18, & 19 — STUDIES

§ 6 — *Chemical Road Treatments*

The act requires DOT to study chemical road treatments, including (1) an analysis of the corrosive effects of road treatments on state snow and ice equipment, state infrastructure, and the environment; (2) the cost of corrosion created by road treatments; and (3) an evaluation of alternative techniques and products,

such as rust inhibitors, with a comparison of cost and effectiveness. DOT must submit a progress report to the Transportation Committee by October 1, 2014 and a final report by July 1, 2015. The final report must include DOT's findings, conclusions, and recommendations.

§ 18 — Access and Egress at Rentschler Field

Under the act, DOT must study, within available appropriations, challenges to enter and exit at Rentschler Field in East Hartford that may result from the state-certified industrial reinvestment project authorized in the Aerospace Reinvestment Act (PA 14-2) (see BACKGROUND). By January 1, 2015, DOT must report its findings and recommended solutions, including the cost of such solutions, to the Transportation Committee.

§ 19 — Mobile Apps for Taxi and Livery Service

The act requires DOT to study, within available appropriations, the regulation of for-hire transportation services, including a review of how emerging technologies fit into the regulatory scheme (see BACKGROUND). DOT must report its findings, conclusions, and recommendations to the Transportation Committee by February 1, 2015. DOT's report must include recommendations regarding (1) regulating emerging technologies to ensure public safety and (2) mandatory insurance coverage, licensing, background checks on drivers, and vehicle safety and maintenance.

§ 5 — EXEMPTION OF CERTAIN FACILITIES FROM LEED STANDARDS

Under prior law, any new construction or renovation of a state facility that met certain cost and state funding criteria had to comply with the silver building rating of the LEED rating system. The act exempts salt sheds, parking garages, and other maintenance facilities from LEED requirements, provided they incorporate the best economically feasible energy standards.

§§ 7, 8, & 17 — AT-GRADE RAILROAD CROSSINGS

§§ 7 & 8 — Construction of At-Grade Railroad Crossings in East Hartford and Waterbury

By law, the construction of at-grade railroad crossings must be approved by an act of the General Assembly. This act would allow (1) East Hartford to construct an at-grade railroad crossing on the Connecticut Southern Railroad Line between McAuliffe Park and Columbus Circle and (2) Waterbury to

construct an at-grade railroad crossing on the Torrington Branch (Naugatuck Railroad Company) between Thomaston Avenue (State Road 847) and Commons Court. Both projects must be approved by the corresponding city legislature and railroad company and constructed according to DOT's recommendations.

§ 17 — Wayside Horns

The act allows for a wayside horn (a stationary horn located at an at-grade railroad crossing) to be used at an at-grade crossing instead of a horn attached to a train, provided that the crossing is equipped with an active warning system that includes flashing lights and gates. Prior law required a train conductor to sound a horn 80 rods (1,320 feet) prior to reaching an at-grade crossing. Any wayside horn used in lieu of a horn attached to a train must (1) conform to federal requirements for wayside horn use and (2) sound at a minimum of 29 seconds before the train's arrival at an at-grade crossing and occasionally after the train has crossed the highway. Entities installing wayside horns must also comply with federal requirements for written notice.

§§ 12-14 — BREWERY, WINERY, AND AGRICULTURAL HIGHWAY SIGNS

The act allows signs bearing directions to farms and facilities related to agricultural tourism, Connecticut-made wine, and Connecticut-made beer to be erected and maintained within 300 feet of state highways with the approval of the DOT commissioner. Such signs may provide directions and other notices to: (1) farms that are part of the state's agricultural tourism; (2) facilities where Connecticut-made beer is manufactured or sold, including references to the "Connecticut Brewery Trail"; and (3) a farm located within 10 miles of a state-maintained limited access highway where Connecticut-made wine is manufactured or sold, including references to the "Connecticut Wine Trail." Under prior law, brewery-related signs were permitted within 650 feet of interstates and limited access highways only, but signs related to wineries or farms were not permitted.

The act also makes a conforming change to continue to allow directional signs erected within 300 feet of state highways pertaining to facilities where Connecticut-made beer is manufactured or sold to be paid for by private individuals or entities affiliated with Connecticut-made beer manufacturers or sellers.

§ 15 — VEHICLE USE OF WILBUR CROSS PARKWAY AND MERRITT PARKWAY

By law, certain commercial vehicles (i.e., taxis, vanpool vehicles, and service and school buses) driving on the Wilbur Cross or Merritt parkways are exempt from provisions that restrict the use of commercial

vehicles on parkways. This act adds service buses for students with special needs to the list of exempted vehicles, provided the buses are no larger than 120 inches high, 90 inches wide, and 280 inches long. It also increases the weight limit, which presumably applies to service and school buses, of commercial vehicles permitted to drive these parkways from 9,600 to 10,000 pounds.

§ 20 — DESIGNATION OF SAYBROOK ROAD IN MIDDLETOWN AS A MINOR ARTERIAL

The act requires DOT to classify the southern section of Saybrook Road in Middletown, between Randolph Road and Aircraft Road/Route 9 ramps, as an urban minor arterial in their functional roadway classification system. Among other things, a roadway's functional classification determines its design, speed limit, and capacity and is often used for determining eligibility for federal funding.

BACKGROUND

Occupational Licensing System

State law establishes a licensing system for several trades overseen by the Electrical Work; Heating, Piping, and Cooling Work; Plumbing and Piping Work; Elevator Installation, Repair, and Maintenance Work; Automotive Glass Work and Flat Glass Work; and Fire Protection Sprinkler Systems boards.

These boards are within the Department of Consumer Protection. They have the power to determine who qualifies for a license and to enforce standards by disciplining licensees. The boards may create limited licenses authorizing their holders to work in a specific area of a trade that have less extensive requirements. Each trade has different levels of expertise—apprentice, journeyman, and contractor. Workers must meet education, training, and experience requirements to qualify for each level. The law establishes DCP's duties in relation to the boards, including receiving complaints, carrying out investigations, and performing administrative tasks, such as physically issuing licenses and renewals.

Connecticut Aerospace Reinvestment Act

PA 14-2 allows large manufacturers, such as United Technologies Corporation (UTC), proposing industrial reinvestment projects to be compensated for unused research and development tax credits. In connection with this act, UTC plans to construct a new Pratt and Whitney headquarters and engineering building and expand its research center at its East Hartford location.

Mobile Applications for Taxi and Livery Service

Mobile applications for taxi and livery service, such as "Uber" and "Lyft," connect people looking for taxi or livery service to drivers. In general, a user selects a pickup location through the application on his or her phone, a driver receives and responds to the request, and the user pays through the application. Although Uber acts as a dispatch service for licensed taxi and livery drivers in major cities, a large part of its business, and Lyft's as well, consists of connecting individuals looking for rides to company-approved local residents who are willing to drive people in their personal vehicles for a suggested donation. Uber and Lyft began operating in Connecticut in April 2014.

PA 14-222—sHB 5289

Transportation Committee

Finance, Revenue and Bonding Committee

AN ACT ESTABLISHING THE CONNECTICUT PORT AUTHORITY

SUMMARY: This act creates (1) the Connecticut Port Authority (authority) as a quasi-public agency to coordinate development of and market state ports, and (2) a port authority working group to prepare and submit recommendations to the Department of Economic and Community Development (DECD) on the authority's powers and duties.

It requires the DECD commissioner, after consulting with specified agencies, and within available appropriations, to (1) develop a plan to move the (a) Connecticut Maritime Commission and (b) Department of Transportation's (DOT) maritime functions to the authority and (2) review and recommend state policies affecting the ports. Currently, DOT's state maritime office is responsible for maritime operations and staffs the Maritime Commission (see BACKGROUND).

The act exempts from the petroleum products gross earnings tax certain fuels used in ships primarily engaged in interstate commerce. It also exempts, from the state motor vehicle fuels tax, fuel used by ships (1) primarily engaged in interstate commerce or (2) displacing more than 4,000 deadweight tons.

It also makes conforming changes.

EFFECTIVE DATE: October 1, 2015, except for the provisions (1) creating the working group and specifying its duties, (2) on the duties of the DECD commissioner, and (3) on fuel tax exemptions, which are effective on passage.

§ 2 — PORT AUTHORITY WORKING GROUP

The act creates a port authority working group, which terminates on October 1, 2015. The working group must prepare and submit recommendations to DECD on the powers and duties of the Port Authority board of directors regarding:

1. employment and personnel practices and policies, including those related to hiring, promotion, compensation, retirement, and collective bargaining;
2. issuing bonds (but the act does not authorize the authority to issue bonds);
3. authority to (a) acquire, lease, purchase, own, manage, hold, and dispose of personal and real property and (b) make and enter into contracts and agreements; and
4. any other authority powers and duties.

Working Group Membership

The working group has at least 13 members, including the DECD commissioner and the treasurer, or their designees. Members must be appointed by September 11, 2014.

Appointed members include three members appointed by the governor and one member each, appointed as follows:

| <i>Appointing Authority</i> | <i>Organization or Municipality Appointee Represents</i> |
|--|---|
| House speaker | Connecticut Marine Trades Association |
| House majority leader | Coastal municipality with a population of 100,000 or less |
| House minority leader | Connecticut Pilot Commission |
| Senate president pro tempore | Connecticut Maritime Commission |
| Senate majority leader | New Haven |
| Senate minority leader | Connecticut Harbor Management Association |
| Transportation Committee co-chairs | New London |
| Transportation Committee ranking members | Bridgeport |

The DECD commissioner may appoint any other member she deems appropriate. The working group must select one of its members as chairperson. The chairperson must schedule and conduct meetings in consultation with the commissioner.

The commissioner must convene the first meeting of the working group by September 11, 2014, and it must meet at least once each month thereafter. DECD staffs the working group, within available

appropriations.

§ 3 — DECD RESPONSIBILITIES

Under the act, the DECD commissioner must develop, (1) within available appropriations, and (2) after consulting with the working group, the DOT and Department of Energy and Environmental Protection (DEEP) commissioners, and the Office of Policy and Management secretary:

1. a plan to move the DOT’s maritime functions to the authority,
2. a plan to move the Maritime Commission’s functions to the authority once it is established,
3. a plan on the authority’s bonding powers, and
4. a proposed business and operating plan for consideration by the authority’s board upon its creation.

She must also, within available appropriations and consulting with the same officials:

1. review and recommend state policies that affect state ports;
2. coordinate state, regional, and local efforts to encourage the ports’ growth; and
3. prepare and submit, by March 1, 2015, to the governor and the Commerce, Transportation, and Environment committees, a report of activities, findings, and recommendations on establishing the authority.

§ 1 — PORT AUTHORITY

Under the act, the authority is a body politic and corporate, a public instrumentality and political subdivision of the state, created to perform an essential public and governmental function. It is a quasi-public agency, not a state department, institution, or agency, and as such is subject to statutory procedural, operating, and reporting requirements for quasi-public agencies, including lobbying restrictions and an ethics code.

The authority must:

1. coordinate port development, focusing on private and public investments;
2. pursue state and federal funding for dredging and other infrastructure improvements to increase movement of cargo through the ports;
3. market the ports’ advantages to domestic and international shippers;
4. coordinate the planning and funding of capital projects promoting the ports’ development; and
5. develop strategic entrepreneurial initiatives that may be available to the state.

The authority, instead of the Maritime Commission, must also recommend harbor improvement projects to the DOT commissioner.

The authority continues as long as it has bonds or other outstanding obligations and until it is legally terminated, provided that no such termination affects any of the authority's outstanding contractual obligations, and the state succeeds to such obligations. Upon the authority's termination, all of its rights and properties pass to and become vested in the state.

Authority Powers

Under the act, the authority may:

1. have perpetual succession and adopt bylaws;
2. adopt and modify an official seal;
3. maintain one or more offices;
4. sue in its own name;
5. develop an organizational and management structure to best achieve its goals;
6. create a code of conduct for board members consistent with applicable law;
7. adopt rules, which are not considered regulations and therefore do not have to go through the regulatory approval process, to conduct its business; and
8. adopt an annual budget and operating plan, including a requirement that the board must approve the budget or plan before it can take effect.

§ 1 — BOARD OF DIRECTORS

The authority is governed by a 15-member board of directors, each of whom is a voting member. Members include the commissioners of DEEP, DOT, and DECD, or their designees, and the treasurer, or her designee, all of whom are ex-officio members. The governor appoints five members, two for four-year terms and three for two-year terms. The Senate president pro tempore, House speaker, and House and Senate majority and minority leaders each appoint one member. The Senate appointees serve four-year terms; the House appointees, two-year terms. The appointees must have business and management experience and include people with experience or expertise in at least one of the following areas: (1) international trade, (2) marine transportation, (3) finance, or (4) economic development. Successor members appointed by the governor and the legislative leaders serve four-year terms, starting on July 1 in the year of their appointment.

Eight directors comprise a quorum for the transaction of any business or exercise of any power. The board may act by a majority of the directors present at any meeting at which there is a quorum except as the act provides. The board may delegate to eight or more directors necessary and proper powers and duties under the act and the board's by-laws.

Appointed board members cannot designate someone to perform their duties in their absence. An appointed director who fails to attend three consecutive meetings or half of all meetings held in a calendar year is deemed to have resigned from the board. Any vacancy that occurs other than by the expiration of a term is filled within 30 days in the same way as the original appointment for the remainder of the term.

Officers

The board selects a chairperson, vice-chairperson, and other officers it believes necessary from its members. The chairperson serves a four-year term.

The initial board members may begin serving immediately on appointment, but cannot serve beyond the sixth Wednesday of the next regular legislative session unless confirmed by the legislature according to law. All subsequent appointments must be made with legislative advice and consent according to law.

Reimbursement and Conflicts of Interest

Directors serve without compensation, but are reimbursed for actual and necessary expenses incurred performing their duties. Directors may be privately employed, or in a profession or business, subject to state ethics and conflict of interest laws, rules, and regulations. However, regardless of the law, it is not a conflict of interest for a trustee, director, partner, or officer of any person, firm, or corporation, or any person with a financial interest in such a person, firm, or corporation, to serve as a director, provided he or she complies with applicable state ethics laws.

Removal of Board Members

An appointing authority may remove a board member for inefficiency, neglect of duty, or misconduct in office. Before doing so, the appointing authority must give the director a copy of the charges against him or her and an opportunity for a hearing, no earlier than 10 days after notice, where the director may respond personally or through an attorney. When a director is removed, the appointing authority must file with the secretary of the state a complete statement of the charges against the director and the appointing authority's findings on the charges, together with a complete record of the proceedings.

Executive Director

The board appoints an executive director as the authority's chief administrative officer. The executive director (1) is exempt from classified service and receives compensation set by the board, (2) serves at its pleasure, and (3) cannot be a board member. He or she

must have extensive experience in developing and managing multi-use port operations.

The executive director directs and supervises administrative affairs and technical activities at the board's direction. He or she must approve all salaries, allowable expenses for the authority and its employees and consultants, and incidental authority expenses.

The executive director must attend all board meetings; keep a record of authority proceedings; and maintain and have custody of all books, documents, and papers filed with the authority, and the authority's minutes or journal and its official seal. He or she may have copies made of the authority's minutes, records, and other documents, and may use the seal to certify them as true copies on which people may rely. The executive director must perform other duties as the board directs.

Reporting Requirements

The board must report annually, by December 15, on its (1) activities, (2) operating and financial statements, and (3) legislative recommendations, to the governor and Commerce, Environment, and Transportation committees.

It must submit to the Appropriations, Commerce, Environment, and Transportation committees a copy of each authority audit conducted by an independent auditing firm no later than seven days after the board receives it.

§§ 9 & 10 — FUEL TAX EXEMPTIONS

The act exempts, from the petroleum products gross earnings tax, bunker fuel oil, intermediate fuel, marine diesel oil, and marine gas oil used in vessels primarily engaged in interstate commerce. The law already exempts these fuels when used in vessels displacing more than 4,000 dead weight tons. The act also exempts from the state motor vehicle fuels tax any fuel sold for use in any vessel either (1) primarily used in interstate commerce or (2) displacing more than 4,000 dead weight tons.

BACKGROUND

Port Administration

Independent, locally created port authorities oversee the ports in Bridgeport, New Haven, and New London. No state or regional agency oversees local authority operation, but they operate under state statutes granting them broad powers to plan, finance, develop, and operate facilities in the locally designated port district (CGS §§ 7-329c to 329u). The districts include privately owned and operated facilities, including docks and shipping terminals. New London's district includes

the DOT-owned and managed State Pier.

Connecticut Maritime Commission

By law, the commission, among other things:

1. advises the governor, DOT commissioner, and legislature on state maritime policy and operations;
2. develops and recommends a state maritime policy;
3. supports the development of the state's maritime commerce and industries, including its deep water ports; and
4. supports the development of the ports, including identifying new opportunities for them, analyzing the potential for and encouraging private investment in them, and recommending policies that support port operations.

The commission is part of DOT (CGS § 13b-51a).

State Maritime Office

This DOT office is responsible for maritime operations, including the State Pier in New London, serves as the governor's principal maritime policy advisor, and staffs the Connecticut Maritime Commission (CGS § 13b-51b).

PA 14-56—HB 5293
Veterans' Affairs Committee
Judiciary Committee

**AN ACT CONCERNING STOLEN VALOR,
 VETERANS' SERVICE OFFICERS AND
 TECHNICAL CORRECTIONS TO THE
 DEFINITION OF VETERAN**

SUMMARY: This act limits the crime of falsely representing oneself as having a military medal to cases in which a person does so with the intent to fraudulently obtain money, property, or other tangible benefits. Under prior law, a person committed this crime if he or she falsely represented himself or herself, orally or in writing, as a recipient of any Congressional decoration or medal; armed forces service medal or badge; or the ribbon, button, rosette, or “colorable imitation” of any such decoration, medal, or badge. The act retains the penalty of a fine between \$500 and \$1,000, up to six months imprisonment, or both.

By law, pretrial diversionary programs are available to criminal defendants who have committed certain crimes. The criteria and the service providers may differ if the defendant qualifies as a “veteran,” which, under prior law, included (1) a veteran discharged or released from the U.S. Armed Forces under conditions other than dishonorable and (2) his or her surviving spouse, children, or parents. The act limits these veteran-specific aspects of the accelerated pretrial rehabilitation, pretrial drug education, and psychiatric disabilities diversionary programs to the veterans. It treats family members of such veterans the same as nonveterans.

By law, a municipality must designate a municipal employee as a veterans’ service contact if it does not (1) have a veterans’ advisory committee and (2) provide funding for a veterans’ service officer. The act explicitly requires any municipality that shares an advisory committee with other municipalities to designate an employee to serve as the contact person.

EFFECTIVE DATE: Upon passage, except for the medal provision, which is effective October 1, 2014.

BACKGROUND

U.S. v. Alvarez

In *U.S. v. Alvarez*, the U.S. Supreme Court ruled that the federal military medal misrepresentation statute was unconstitutional because it violated a person’s First Amendment right to free speech (132 S. Ct. 2537 (2012)). The plurality opinion stated that there is no general First Amendment exception for false statements, but acknowledged there are many laws punishing or criminalizing false statements that cause definite and identifiable harm (e.g., fraud).

Pretrial Diversionary Programs

Under Connecticut’s criminal justice system, criminal defendants may avoid prosecution and incarceration by successfully completing court-sanctioned community-based treatment programs (called diversionary programs) before the trial. Participants waive their right to a speedy trial and agree to a tolling of the statute of limitations. A defendant who does not complete or is ineligible for the program is brought to trial.

Veterans’ Service Contact Person’s Duties

By law, the contact person must perform the same duties that the law requires veterans’ advisory committees to perform, including:

1. coordinating all matters concerning veterans and their dependents;
2. coordinating public and private facilities concerned with veterans’ reemployment, education, rehabilitation, and adjustment to peacetime living;
3. cooperating with all national, state, and local government and private agencies in securing services and benefits to which a veteran or his or her dependents may be entitled;
4. encouraging and coordinating veterans’ vocational training services; and
5. working with veterans’ organizations as much as possible to carry out these activities (CGS § 27-135).

PA 14-114—SB 293
Veterans' Affairs Committee
General Law Committee

**AN ACT CONCERNING CLUBS OPERATED BY
 NATIONALLY CHARTERED VETERANS'
 SERVICE ORGANIZATIONS**

SUMMARY: The law requires any organization holding a state liquor club permit to require a club member’s guests to enter their names and addresses in a guest book, along with the member’s signature and introduction date. This act waives the guest book requirements for members of nationally chartered veterans’ service organizations who (1) visit a club affiliated with their home club and (2) show a membership, travel card, or similar identification verifying their membership in the organization. By law, club permittees may sell alcoholic liquor for on-premises consumption only to members or their guests.

Permittees who violate these requirements may be subject to (1) license penalties and (2) up to a \$1,000 fine, up to one year imprisonment, or both.

EFFECTIVE DATE: October 1, 2014

PA 14-131—sHB 5299

Veterans' Affairs Committee

Public Safety and Security Committee

Transportation Committee

AN ACT CONCERNING THE FINDINGS OF THE MILITARY OCCUPATIONAL SPECIALTY TASK FORCE

SUMMARY: This act requires various government entities to certify, waive, grant, or award certain licenses, registrations, examinations, training, or credit for service members (veterans or armed forces or National Guard members) with military experience or qualifications similar to those otherwise required.

For qualified service members, the act requires the:

1. Police Officer Standards and Training Council (POST) to certify them as police officers;
2. Department of Motor Vehicles (DMV) to waive certain examinations or tests for motor vehicle operator's licenses;
3. Department of Labor (DOL) to submit a recommendation for review, that waives the apprentice requirement, to the appropriate licensing board and Department of Consumer Protection (DCP) to allow the applicants to sit for licensing exams;
4. Department of Emergency Services and Public Protection (DESPP) to waive security guard training;
5. public higher education institutions to award college credit; and
6. Department of Public Health (DPH) to certify them as emergency medical technicians (EMT).

It also requires, by January 1, 2015, these government entities to (1) ask applicants for a license, certificate, registration, or educational credit whether they are service members and (2) submit an annual report to DOL and the Veterans' Affairs Committee on certain data associated with service members' applications. These reports must be posted on DOL's website, starting by January 1, 2016. (PA 14-65 limits these requirements to instances where the training or experience is relevant and under the government entity's oversight. It also sets separate higher education institution reporting requirements.)

The DOL commissioner must (1) assist certain entities that issue occupational credentials with ways of recognizing and substituting military training and

experience, (2) review and revise policies to ensure such training and experience are given proper recognition, and (3) submit a report to the Veterans' Affairs Committee on recommendations for amending statutes and regulations to give military training and experience the appropriate recognition.

Under the act, a "veteran" is anyone discharged or released under conditions other than dishonorable from active service in the armed forces (U.S. Army, Navy, Marine Corps, Coast Guard, and Air Force and any of their reserve components, including the Connecticut National Guard performing duty under Title 32 of federal law).

EFFECTIVE DATE: October 1, 2014, except for the higher education and DOL commissioner assistance provisions, which are effective July 1, 2014, and the licensing authority and DOL reporting provisions and data collection provision, which are effective upon passage.

§ 1 — POLICE OFFICERS

The act requires POST to certify any applicant who is a service member and shows that he or she satisfactorily completed a training program or course of instruction in the armed forces equivalent in content and quality to state requirements, provided the applicant passes a POST-approved examination or evaluation.

By law, police officers must be POST-certified within one year of employment. By regulation, the council's entry-level requirements include personal interviews, fingerprint examination, background investigation, psychological examination, criminal history record check, controlled substance screening, and physical fitness and medical tests.

§§ 2 & 3 — MOTOR VEHICLE LICENSES

License Exams

The act requires the DMV commissioner to waive all examinations for motor vehicle licenses, except the driving skills test for commercial motor vehicle licenses, for qualified service members. Prior law allowed her to waive such examinations only for honorably discharged veterans. The act requires the commissioner to waive the examinations for veterans who (1) apply within two years after their military discharge and (2) before military discharge, held a military operator's license to drive the same class of vehicles allowed under their prospective license. The commissioner must grant the same waiver to an armed forces or National Guard member who currently holds a military operator's license of the same class as the one for which he or she is applying. By law, when the commissioner is satisfied with the ability and competency of any applicant, she may issue an

unlimited or limited license and specify the motor vehicle class the licensee may operate.

Commercial Motor Vehicle License

Under the act, the DMV commissioner may waive the commercial motor vehicle driving skills test only if the applicant meets conditions set by federal regulation. If he or she does, the commissioner may substitute the applicant's driving record in combination with certain driving experience for the driving test. The applicant must hold a military commercial motor vehicle license when applying for the state license.

Under federal regulations, DMV must require the applicant to certify that during the two-year period prior to applying for the commercial motor vehicle license, he or she has not had:

1. more than one license (except for a military license);
2. any license suspended, revoked, or cancelled;
3. any type of motor vehicle conviction that would disqualify an applicant from getting a commercial license (e.g., driving under the influence);
4. more than one conviction for a serious traffic violation (e.g., driving recklessly); or
5. any conviction for violating any military, state, or local law relating to motor vehicle traffic control (other than a parking violation) in connection with any traffic accident or any record of an accident where he or she was at fault.

The applicant must also provide evidence and certify that he or she:

1. is or was regularly employed within the last 90 days in a military position that required operating a commercial motor vehicle;
2. was exempt from the commercial motor vehicle license requirements under federal regulation (e.g., active duty military personnel, member of the military reserves, or National Guard member on active duty); and
3. for at least two years immediately before military discharge, was operating a vehicle that is representative of the type he or she operates or expects to operate.

§§ 4-9 — OCCUPATIONAL LICENSES AND REGISTRATIONS

Military Training Evaluation

The act allows any armed forces or National Guard member or veteran, within two years of his or her discharge from service, to apply to the DOL apprentice training program for a military training evaluation. The

application must include satisfactory evidence of completing a military training program or course of instruction equivalent in content and quality to those the state requires for a specific trade. A veteran's application must also include a military discharge document or a certified copy of it. The DOL commissioner must evaluate the application and determine whether the applicant's military training may be substituted for all or part of the registered apprenticeship program for a specific trade.

If the commissioner determines that the applicant's training is equivalent to completing an apprenticeship program, she must issue the applicant a "recommendation for review" by the appropriate examining board. These boards include the:

1. Electrical Work Board;
2. Heating, Piping, Cooling and Sheet Metal Work Board;
3. Plumbing and Piping Work Board;
4. Elevator Installation, Repair and Maintenance Board;
5. Fire Protection Sprinkler Systems Board; and
6. Automotive Glass Work and Flat Glass Work Board.

Under the act, presenting such a recommendation allows the applicant to sit for any licensure examination without participating in an apprenticeship program.

If the commissioner determines that the applicant's military training is equivalent to part of an apprenticeship program's required training, the applicant's qualified hours of military training must be deducted from the required apprentice training hours if (1) the applicant completes the minimum hours required under federal law and (2) DOL obtains concurrence with the federal apprenticeship office as required by federal regulations.

Recommendation for Review

Under the act, a DOL recommendation for review is sufficient to demonstrate that an applicant (1) is competent in a trade, (2) possesses the requisite skill, and (3) complies with all other licensing requirements. By law, trade license applicants must furnish evidence of competency, among other things.

The act requires DCP to allow any applicant who has not participated in an apprenticeship program but presents a recommendation for review, to sit for a licensing examination. By law, DCP conducts the written, oral, and practical examinations the appropriate boards deem necessary.

For applicants who present a recommendation for review, the act waives, depending on the trade, the (1) \$90 or \$150 application fee and (2) initial \$150 or \$120 contractor's license fee. It requires DCP to issue the applicant a license when it receives such fee waiver.

§ 10 — SECURITY GUARDS

The act requires DESPP to waive security guard training for an applicant who presents proof that he or she has completed the state-equivalent training in the military and is (1) a veteran who provides his or her discharge document or a certified copy of it or (2) an armed forces or National Guard member. It also exempts them from the \$100 licensing fee. By law, security guard applicants must generally complete at least eight hours of training in basic first aid, search and seizure laws and regulations, use of force, and basic criminal justice and public safety issues.

As with security guards who pass the training, the act requires a service member to submit his or her security guard license application within two years after the security guard training waiver. It also expands the information that all applicants must submit to include military training and weapons qualifications.

§ 11 — HIGHER EDUCATION CREDIT

College Credit

The act requires higher public education institutions to award college credit for military occupational specialty training to service members enrolled at the institutions. The applicant must have experience in a military occupation the institution recognizes as substituting for, or meeting the requirements of, a particular course of study.

Guidelines for Awarding Credit

The act requires, by July 1, 2016, the Board of Regents for Higher Education (BOR) and the UConn Board of Trustees (BOT), in consultation with higher education institutions in the state, to develop and adopt guidelines on awarding college credit for a student's military training, coursework, and education. The guidelines must include course equivalency recommendations adopted by the American Council on Education and other institutions or organizations deemed reputable by BOR and BOT.

Until the guidelines are adopted, any higher education institution that awards college credit for such training, when assigning college credit to a military occupation, must use (1) course equivalency recommendations adopted by the American Council on Education, (2) a portfolio assessment process when appropriate, or (3) the institution's transfer and articulation policies. Upon guideline adoption, the governing body of each higher education institution must develop and implement policies governing the awarding of college credit for a student's military training, coursework, and education.

§ 13 — EMT

The act requires the DPH commissioner to adopt regulations exempting service members with appropriate military training from training and testing requirements for EMT licensure or certification. The exemption must include service members with the National Registry of Emergency Medical Technicians designation.

The commissioner must issue an EMT certificate to a service member applicant who (1) presents satisfactory evidence that he or she holds a current certification as someone who may perform similar services under a different National Registry of Emergency Medical Technicians designation or (2) satisfies the DPH regulation. Such applicants are exempt from any written or practical examination required for certification.

(PA 14-198 makes technical changes by transferring these provisions to a different section of the statutes.)

§§ 14 & 15 — DATA REPORTING

Licensing Authority Report

The act requires DCP, DESPP, DOL, DMV, DPH, BOR, the Office of Higher Education, BOT, and POST (licensing authorities) to ask applicants for a license, certificate, registration, or educational credit if they are service members. (PA 14-65 limits when these licensing authorities must ask applicants to instances where the training or experience is relevant and under the authority's purview.)

By January 1, 2015 and annually thereafter, each licensing authority must submit a report to the Veterans' Affairs Committee and DOL that includes the number of (1) service members who applied for a DOL military training evaluation, license, certificate, registration, or educational credit; (2) approvals; and (3) denials, with data on the reasons for denial.

The report must include

1. the licensing authority's processing time for service member applications compared to the average processing time for all applications;
2. information on the licensing authority's efforts to inform and assist service members in accessing programs that provide the education and training needed to meet licensure, certification, registration, or educational credit requirements;
3. information on whether existing law effectively addresses the challenges service members face when applying for an occupational or professional license, certificate, registration, or educational credit when discharged from the

- military or relocating to the state; and
4. recommendations for improving the licensing authority's ability to meet the occupational needs of service members, including issuing temporary or provisional licenses, certificates, or registrations.

The act specifies that DOL's report must also include the number of service members issued or denied a (1) recommendation for review or (2) deduction from the hours of apprenticeship training.

(PA 14-65 (1) changes BOR's and BOT's reporting requirement by eliminating certain information (e.g., license processing time) and adding education-specific information (e.g., education credit awarded or not awarded) and (2) delays the reporting deadline to July 1, 2016.)

Website

By January 1, 2016, within available resources, each licensing authority must publish on its website a link to the (1) Department of Veterans' Affairs' informational website with information listing benefits, services, and programs and (2) Executive Branch website listing resources and opportunities for veterans.

§§ 13 & 15 — DOL RESPONSIBILITIES AND REPORT

The act requires the DOL commissioner to assist state agencies, boards, and commissions that issue occupational certificates or licenses in (1) determining when to recognize and accept military training and experience in place of all or part of the training and experience required for a specific professional or occupational license and (2) reviewing and revising policies and procedures to ensure that relevant military education, skills, and training are appropriately recognized in the certification and licensing process.

By July 1, 2015, the DOL commissioner, after consulting with the Department of Veterans' Affairs, DPH, and DCP commissioners; adjutant general; and Office of Military Affairs executive director, must submit a report to the Veterans' Affairs Committee that includes recommendations for (1) amending statutes and regulations and (2) revising policies and procedures to ensure relevant military education, skills, and training are appropriately recognized in the occupational certification and licensing process. Each of these government entities must submit formal written recommendations to the DOL commissioner on the relevant professional or occupational licenses on a form she prescribes.

BACKGROUND

Military Occupational Specialty Task Force

SA 13-5 established the task force to study the use of military occupational specialty training experience to satisfy training requirements for state licensing purposes.

Related Acts

PA 14-65 (1) limits the circumstances when the licensing authorities must inquire about an applicant's service member status and (2) requires BOR and BOT to submit reports containing different information than the other licensing authorities and extends their first annual reporting deadline.

PA 14-141 makes a technical change regarding the DPH commissioner issuing emergency medical technician certifications to service member applicants.

PA 14-141—HB 5294

Veterans' Affairs Committee

AN ACT CONCERNING THE ADMISSION OF VETERANS TO HOSPITALS AND THE APPLICATION OF MILITARY OCCUPATIONAL TRAINING TO STATE LICENSURE REQUIREMENTS

SUMMARY: By law, mentally ill veterans and veterans needing medical or surgical care or treatment may be admitted to certain hospitals and receive necessary food, clothing, care, and treatment at the state's expense if they lack adequate means of support. This act requires hospitals to (1) ask patients, upon admission, if they are veterans and (2) before submitting a bill to the state for rendered services, take sufficient steps to determine that no other funds or means of payment are available to cover the cost of the services. It requires the Department of Veterans' Affairs to make available to hospitals a list of payment options and benefits available to cover veterans' hospital costs.

The act applies to an incorporated hospital or tuberculosis sanatorium, chronic disease hospital, and mental hospital or training school for people with intellectual disabilities. A "veteran" is anyone honorably discharged from, or released under honorable conditions from, active service in the armed forces, who meets active military requirements.

The act makes a technical change to PA 14-131 regarding the public health commissioner issuing emergency medical technician certifications to applicants who are veterans or armed forces or National Guard members.

The act makes additional technical changes in the veterans' statutes.

EFFECTIVE DATE: October 1, 2014

PA 14-198—SB 217

*Veterans' Affairs Committee
Education Committee*

AN ACT CONCERNING EXCUSED ABSENCES FROM SCHOOL FOR CHILDREN OF SERVICE MEMBERS

SUMMARY: This act requires any child age five to 18 enrolled in a public or private school to be granted 10 days of excused absences (presumably in addition to what is already allowed, see BACKGROUND) in any school year if his or her parent or legal guardian is an active-duty U.S. Armed Forces member who (1) has been called for, (2) is on leave from, or (3) has immediately returned from deployment to a combat zone or combat-support posting. It also allows local or regional boards of education to grant such students additional excused absences to visit their parents or legal guardian.

It is unclear whether the existing truancy law applies to private school students, but the act specifically applies its excused absences provision to private school students. Thus, it appears the act applies to private school students.

Under the act, the student and parent or legal guardian are responsible for (1) getting assignments from the student's teacher before the absence and (2) ensuring the assignments are completed before the student returns to school.

EFFECTIVE DATE: July 1, 2014

BACKGROUND

Armed Forces

By law, the "armed forces" means the U.S. Army, Navy, Marine Corps, Coast Guard, and Air Force and any reserve component of these branches, including the Connecticut National Guard performing duty under Title 32 of federal law (CGS § 27-103).

Unexcused and Excused Absences

By law, students are allowed up to three unexcused absences in a month or up to nine unexcused absences in a school year before they are considered truants.

According to the State Board of Education's definitions of excused and unexcused absences, an absence is considered excused if:

1. for absences one through nine, the student provides written documentation (i.e., a signed note from parent or guardian) of the reason for the absence submitted within 10 school days after returning to school and
2. for the 10th and any additional absences, the student provides the same written documentation giving one of the following reasons for the absence: (a) the student's illness (with appropriate verification from a medical professional), (b) observance of a religious holiday, (c) death in the family or other emergency beyond the family's control, (d) mandated court appearance, (e) lack of transportation that the district normally provides, or (f) extraordinary educational opportunity pre-approved by the district in accordance with State Department of Education guidance.

An absence is considered unexcused unless it meets one of the definitions of an excused absence or is a disciplinary absence. All other absences are unexcused.

ABANDONED PROPERTY

- Money found on court property, court clerk responsibilities
14-207 323
- Vessels, seizure process modified
14-57 148

ABUSE

- See also Child Abuse; Domestic Violence*
- Abuse, DDS registry definition expanded
14-165 362
- DDS clients, mandated abuse/neglect reporter requirements increased
14-165 362

ADMINISTRATIVE PROCEDURE

- Changes
14-187 221
- DSS appeal hearings, procedures changed
14-209 (VETOED) 261

ADMINISTRATIVE REGULATIONS

- See also Buildings and Building Codes; specific agencies*
- Certain adoption requirements eliminated
14-187 221
- Administrative Services, state agency lease requirement repealed
14-202 240
- Administrative Services, state building energy efficiency compliance standards
14-94 134
- Banking, public deposit protection regulations
14-187 221
- Children and Families, several requirements eliminated
14-187 221
- Consumer Protection, swimming pool maintenance/repair contractor experience/training requirements
14-50 202
- Early Childhood, youth camp school health forms allowed
14-15 357
- Education, school epipen storage/administration procedures
14-176 120
- Energy and Environmental Protection, fracking waste
14-200 160
- Energy and Environmental Protection, glass/elver eel takings
14-190 (VETOED) 160

- Energy and Environmental Protection, hunting/fishing guides
14-201 162
- Higher Education Office, UConn Board of Trustees/Higher Education Board of Regents conformance
14-91 249
- Insurance, company merger/reorganization processes
14-123 273
- Motor Vehicles, Uniform Certificate of Title for Vessels Act implementation
14-63 393
- Public Health, bulk water hauling
14-178 368
- Public Health, lifeguard CPR certifications increased
14-36 387
- Public Health, multi-care institutions
14-211 369
- Public Health, nursing home patient medical examination requirements
14-231 372
- Public Health, regulatory waiver authority expanded
14-231 372
- Social Services, Medicaid facility audit processes
14-162 258
- Social Services, rated housing facility payments
14-164 259
- Social Services, regulation adoption procedure conformance
14-116 254

ADMINISTRATIVE SERVICES, DEPT. OF

- Certain information/telecommunications contracts, review provisions repealed
14-202 240
- Contract extensions, requirements
14-188 236
- Contracting/purchasing, authority/procedure modifications
14-188 236
- Disabled janitorial work program, expansion allowed
14-188 236
- Property unit employees, real estate company involvement prohibition eliminated
14-188 236
- Reporting requirements/responsibilities modified
14-202 240
- School construction grants/security

| | | |
|---|-----|---|
| assessments, authorization/program responsibilities | | |
| 14-90 | 113 | |
| Set-aside program denials, written notice requirements | | |
| 14-227 | 199 | |
| State agency leases, regulations requirement repealed | | |
| 14-202 | 240 | |
| State building energy efficiency compliance standards, regulations | | |
| 14-94 | 134 | |
| State fleet procurement, alternative fuel price preference | | |
| 14-136 | 143 | |
| State real property purchase/acquisition authority, donations/exchanges/gifts allowed | | |
| 14-112 | 220 | |
| ADOPTION | | |
| Adult adoption, procedure modifications | | |
| 14-104 | 308 | |
| Birth certificates, access modifications | | |
| 14-133 | 358 | |
| Certain adoption requirements eliminated | | |
| 14-187 | 221 | |
| ADRIAEN'S LANDING | | |
| Rentschler Field access challenges, DOT study required | | |
| 14-199 | 407 | |
| ADVERTISING | | |
| Bazaars/raffles, requirements modified | | |
| 14-24 | 385 | |
| Genetically modified food, "natural" labeling requirements delayed | | |
| 14-17 | 357 | |
| AGING, DEPT. ON | | |
| DSS community services policy manual, eliminated/Aging Dept. regulations required | | |
| 14-187 | 221 | |
| Elderly nutrition service stakeholders, quarterly meetings required | | |
| 14-73 | 59 | |
| Fall Prevention Program oversight, transferred | | |
| 14-116 | 254 | |
| | | <i>See also Dairies and Dairy Products; Farms and Farmers</i> |
| Agricultural highway signs, allowed | | |
| 14-199 | 407 | |
| Agriculture science/technology center internship providers, civil immunity | | |
| 14-230 (VETOED) | 125 | |
| Farm wineries, off-site sales/tasting permit created | | |
| 14-189 | 210 | |
| Maple-sugaring, landowner liability protections | | |
| 14-18 | 301 | |
| Seed law, modifications/certain uniform law provisions adopted | | |
| 14-223 | 165 | |
| AGRICULTURE, DEPT. OF | | |
| Animal abuse cost recovery account, uses expanded | | |
| 14-205 | 163 | |
| Animal abuse report to DCF, modifications | | |
| 14-70 | 87 | |
| Animal population control account, uses expanded | | |
| 14-205 | 163 | |
| Dog/cat breeders, standard of care establishment | | |
| 14-77 | 151 | |
| Industrial hemp legalization, feasibility study | | |
| 14-191 | 211 | |
| Pet shop licensee civil penalties, authority | | |
| 14-77 | 151 | |
| Pet shops, licensure/enforcement study required | | |
| 14-77 | 151 | |
| Savin Farm, conservation/preservation restrictions authorized | | |
| 14-80 | 153 | |
| Seed law enforcement, commissioner designation authority | | |
| 14-223 | 165 | |
| State property conservation/preservation restrictions, authorization | | |
| 14-169 | 158 | |
| AID TO FAMILIES WITH DEPENDENT CHILDREN | | |
| | | <i>See Temporary Family Assistance</i> |

AGRICULTURE**AIR POLLUTION**

| | | | |
|--|-----|---|-----|
| Outdoor wood burning furnace restrictions, permanence 14-92 | 154 | 14-22 | 201 |
| AIRPORTS | | Possession by minor on private property, prohibition modified 14-144 | 209 |
| Bradley International advisory committee, created 14-199 | 407 | ANIMALS | |
| Connecticut Airport Authority, employee benefit plan modifications 14-199 | 407 | <i>See also Fish and Game</i> | |
| ALCOHOL AND DRUG ABUSE | | Animal population control account, uses expanded 14-205 | 163 |
| <i>See also Driving While Intoxicated; Mental Health and Addiction Services, Dept. of</i> | | Cat/dog euthanization, USDA-regulated facilities exempt from certain requirements 14-226 | 371 |
| Accelerated rehabilitation/dependency treatment applicant, court file sealing requirement 14-233 | 330 | Confiscated animal care/custody, bond increased 14-205 | 163 |
| Arrestees, DMHAS data sharing requirement 14-138 | 360 | Control officer, mandated abuse report circumstances broadened 14-70 | 87 |
| Pretrial alcohol education program participation requirement, victim impact statement 14-110 | 311 | Dog/cat breeder standard of care, DoAg development 14-77 | 151 |
| Pretrial drug education/community service program, first-time participant options expanded 14-173 | 318 | Genetically modified pet food, "natural" label allowed 14-17 | 357 |
| ALCOHOLIC BEVERAGES | | Horse/pony/donkey/mule, owner liability 14-54 | 147 |
| <i>See also Driving While Intoxicated; Juice Bars</i> | | Horses/ponies, property tax exemption allowed 14-33 | 344 |
| Beer/brew pub manufacturing permittees, caterer liquor permit allowed 14-135 | 209 | Humane treatment of animals in shelters task force, created 14-205 | 163 |
| Breweries/wineries, highways signs allowed 14-199 | 407 | Pet lemon law, veterinary expense reimbursement increase 14-77 | 151 |
| Farm wineries, off-site sales/tasting permit created 14-189 | 210 | Pet shops, breeder limitations/USDA inspection reports 14-77 | 151 |
| Golf tournament liquor permits, nonprofit organizations allowed 14-32 | 201 | ANTITRUST | |
| Liquor club guest book requirements, certain veterans' service organizations waiver 14-114 | 415 | Hospital/health care review filings, attorney general notification 14-168 | 364 |
| Liquor permit renewal ordinances, written notice requirements 14-48 | 202 | APPROPRIATIONS | |
| Liquor permits, multiple event application modification 14-111 | 207 | <i>See State Budget</i> | |
| Package stores, gift basket sales allowed | | ARBITRATION | |
| | | Motor vehicle accidents, bodily injury claims 14-156 | 317 |
| | | ARTS | |

| | | | |
|---|-----|--|-----|
| Film industry workforce training program, eliminated 14-42 | 338 | 14-184 | 320 |
| ASSESSMENT <i>See Property Taxes</i> | | BANKING, DEPT. OF | |
| ATTORNEY GENERAL | | Consumer collection agency licensure, suspension authority 14-89 | 71 |
| Federal antitrust review filings, access/use 14-168 | 364 | Mortgage servicing companies, investigation/enforcement authority 14-89 | 71 |
| Medical group practice structure changes, notification 14-168 | 364 | Nationwide Mortgage Licensing System and Registry, use authority/procedures established 14-89 | 71 |
| Pet shop licensee civil penalty collection, role eliminated 14-77 | 151 | Out-of-state banks, public deposit protection regulations 14-187 | 221 |
| ATTORNEYS <i>See also Attorney General</i> | | BANKS AND BANKING <i>See also Credit Unions; Foreclosure; Mortgages</i> | |
| Guardians ad litem/counsels for minor children, appointment requirements modified 14-3 | 297 | ATM definition modified 14-89 | 71 |
| Mortgage loan originator licensure, attorney exemption narrowed 14-89 | 71 | ATMs, fraudulent use penalty increased 14-233 | 330 |
| AUDITS AND AUDITING | | Collection agency licensure, DOB suspension authority 14-89 | 71 |
| Auditors of Public Accounts, required biennial compliance audits 14-227 | 199 | Connecticut chartered bankers' banks, ownership authorization modification 14-89 | 71 |
| Medicaid providers/facilities, DSS auditing processes changed 14-162 | 258 | Debtor's funds, satisfied judgment process modified 14-7 | 65 |
| Pharmacy audits, confidentiality/procedure/ appeals 14-193 | 287 | Judgment executions, protected funds expanded 14-9 | 337 |
| Whistleblower investigations, DRS tax information disclosure to Auditors of Public Accounts allowed 14-227 | 199 | Loan production office closures, procedures established 14-89 | 71 |
| AUTHORITIES <i>See Housing Authorities; Quasi-Public Agencies; specific authorities</i> | | Mortgage lenders, licensing/bond requirements expanded 14-7 | 65 |
| AUTOMOBILES <i>See Motor Vehicles</i> | | Mortgage lenders/brokers, licensing/continuing education modifications 14-89 | 71 |
| BAIL | | Qualified public depositories, regulations repealed/law codification 14-187 | 221 |
| Bonds, automatic termination changes 14-207 | 323 | Savings promotion raffles, authorized banks expanded 14-7 | 65 |
| Bonds, procedures modified | | Subsidiary licensure/bonding requirements, certain exemptions modified 14-89 | 71 |

BAZAARS AND RAFFLES

Advertising/permits, modifications
 14-24 385
 Savings promotion raffles, authorized banks
 expanded
 14-7 65
 Tuition raffles, partial student loan payments
 allowed
 14-28 386

BEER

See Alcoholic Beverages

BIDS AND BIDDING

*See also Contracts and Contractors;
 Government Purchasing*
 Competitive, public works projects threshold
 increased
 14-188 236
 Prevailing wage job cost certification,
 circumstances expanded
 14-44 339

BIRTH CERTIFICATES

See also Paternity
 Adoptees, access modifications
 14-133 358

BOARDS AND COMMISSIONS

*See also Education, Boards of; specific
 boards or commissions*
 Acquired Brain Injury Medicaid Waiver
 Advisory Committee, created
 14-150 63
 Aging, livable communities initiative
 recognitions
 14-73 59
 Autism Spectrum Disorder Advisory Council,
 membership increased
 14-143 361
 Bioscience Innovation Advisory Committee,
 modifications
 14-60 172
 Bradley International advisory committee,
 created
 14-199 407
 Cadmium in Children's Jewelry Task Force,
 created
 14-140 92
 Child Poverty and Prevention Council,
 members added
 14-132 255

Concussions Task Force, created
 14-6685
 Connecticut Employment and Training,
 older worker programs/publicity
 requirements
 14-225351
 Connecticut Employment and Training,
 placement program annual report
 requirement
 14-42338
 Connecticut Energy Advisory, dissolved
 14-94134
 Connecticut Higher Education Supplemental
 Authority, replaces Connecticut Student
 Loan Foundation board
 14-2177
 Connecticut Manufacturing Innovation Fund
 Advisory, established
 14-98173
 Connecticut Port Authority Working Group,
 established
 14-222410
 Connecticut Retirement Security, created
 14-2177
 Connecticut Student Loan Foundation, replaced
 by Connecticut Higher Education
 Supplemental Authority
 14-2177
 Connecticut's Leadership in Corporation and
 Business Law, created
 14-8971
 Consumer Protection Dept. occupational
 boards/commissions, enforcement
 modifications/complain dismissals
 14-210212
 Developmental Services Council,
 membership/meeting frequency
 14-143361
 Developmental Services Dept. advisory/
 planning councils, member term extension
 authorized
 14-143361
 Dispatch services governing boards,
 municipal creation authorized
 14-179388
 Early Childhood Cabinet, membership
 14-39102
 Eyewitness Identification Task Force,
 continued
 14-233330
 Faculty Advisory Committee, vice-
 chairperson BOR service requirement
 14-208250

| | | | |
|--|-----|---|-----|
| Harbor Point taxing district, director terms staggered 14-102 | 346 | Restraining Order Service Task Force, established 14-217 | 7 |
| Higher Education Planning, strategic master plan requirements modified 14-65 | 247 | Reverse Mortgage Industry Task Force, created 14-89 | 71 |
| Humane treatment of animals in shelters task force, created 14-205 | 163 | School Administrators Advisory Council, terms extended 14-230 (VETOED) | 125 |
| Juvenile Justice Policy and Oversight Committee, established 14-217 | 7 | School Building Projects Advisory Council, membership 14-217 | 7 |
| Lemon law arbitration panel, obsolete reference removed 14-127 | 208 | School Safety Infrastructure Council, membership increased 14-90 | 113 |
| Maritime, DECD transfer plan to Connecticut Port Authority 14-222 | 410 | Sentencing, certificate of rehabilitation responsibilities 14-27 | 301 |
| Medical Assistance Program Oversight Council, membership increased/ subcommittee created 14-206 | 261 | State Academic Awards, statutory references replaced with Board of Regents/Charter Oak State College 14-117 | 249 |
| Medical foundation board of directors, member limitations 14-168 | 364 | State Education Resource Center Board of Directors, created 14-212 | 121 |
| Mental Health and Addiction Services Board, term limits eliminated 14-138 | 360 | State Library, chief justice designee modified 14-207 | 323 |
| Municipal assessment appeals, sewer assessment hearing ordinances allowed 14-183 | 348 | State Library, statewide electronic books platform establishment allowed 14-82 | 207 |
| Nursing Home Finance Advisory Committee, modifications 14-55 | 253 | State Marshal, member qualifications modified 14-207 | 323 |
| Pardons and Paroles, certificate of rehabilitation issuance/reporting responsibilities 14-27 | 301 | Steel Point taxing district, director terms staggered 14-102 | 346 |
| Pharmacy, nonresident pharmacy registration considerations 14-224 | 213 | Stroke Study Task Force, created 14-214 | 370 |
| Police Officer Standards and Training Council, electronic defense weapon use form/policy development 14-149 | 388 | Superior Court Housing Session Advisory Council renamed Connecticut Advisory Council on Housing Matters 14-4 | 219 |
| Police Officer Standards and Training Council, misconduct investigation policy development 14-166 | 317 | Tobacco and Health Trust Fund trustees, annual disbursement increase allowed 14-76 | 88 |
| Police Officer Standards and Training Council, police officer certification waiver authorized 14-131 | 416 | Water Planning Council, membership/state water plan responsibilities 14-163 | 155 |
| | | Water Utility Coordinating Committee, coordinated water system plan requirements 14-163 | 155 |
| | | Wrongful Conviction, authorization eliminated 14-207 | 323 |

BOATS AND BOATING

Abandoned, seizure process modified
 14-57 148

Interstate commerce vessels, petroleum
 products gross earnings tax exemption
 14-222 410

Uniform Certificate of Title for Vessels Act,
 enacted
 14-63 393

BONDS

Confiscated animal care/custody, bond
 increased
 14-205 163

Debt negotiators, judgment recovery against
 bonds limited
 14-7 65

Mortgage lenders/brokers/originators,
 requirements expanded
 14-7 65

State, authorizations/modifications
 14-98 173

BREW PUBS

See Alcoholic Beverages

BROWNFIELDS

See also Hazardous Waste

Contaminated property remediation,
 compliance options
 14-88 97

Transfer Act exempted properties, expanded
 14-88 97

BUDGET

See State Budget

BUILDINGS AND BUILDING CODES

See also State Buildings

Fire extinguisher installation/use, fire
 prevention code inclusion required
 14-187 221

Swimming pool maintenance/repair definition,
 activities expanded
 14-50 202

BUSES

See also School Buses

Fares, inspector enforcement authority
 14-199 407

BUSINESS

*See also Contracts and Contractors;
 Corporation Business Tax;
 Corporations; Economic Development;
 Manufacturers; Restaurants and Cafés;
 Retail Trade; Small Business*

Annual report filing violations,
 administrative penalty established
 14-154314

Benefit corporation (B-corp) formation,
 framework established
 14-2177

Business and industry development corporation
 license, transfer/assignment prohibition
 14-8971

Connecticut's Leadership in Corporation and
 Business Law Commission, created
 14-8971

Entity transactions, protected agreements
 14-8971

Filings, certain fees eliminated/email address
 inclusion
 14-154314

Gas company revenue use for company
 infrastructure, modification
 14-94134

Industrial hemp legalization, feasibility
 study
 14-191211

Limited liability partnerships, reinstatement
 procedures
 14-154314

Moving company certification, criminal
 history/financial stability considerations
 14-68402

Neighborhood Assistance Act, annual tax
 credit cap increased
 14-171 (VETOED).....100

Neighborhood Assistance Act tax credit
 eligibility, college loan forgiveness
 program investments
 14-227199

Nonresident business income apportionment
 14-155190

NuPower Thermal LLC renamed Bridgeport
 Thermal LLC
 14-94134

Out-of-state, records/data warrants authorized
 14-233330

Paid sick leave, modifications
 14-12899

Profit-based assessments, pilot municipal
 property tax program established
 14-174196

- Scrap metal processors, municipal property handling requirements/violation penalties
14-83 345
- Subsidized Training and Employment Program, expanded
14-38 101
- Telephone solicitors, robocall disconnection violation fine increased
14-14 201
- Urban and Industrial Site Reinvestment Program, available tax credits increased
14-98 173
- CABLE TELEVISION**
Late charge, maximum changed
14-94 134
- CAFÉS**
See Restaurants and Cafés
- CAMPAIGN CONTRIBUTIONS AND EXPENDITURES**
Citizen's Election Fund, corporation business tax revenue deposit requirement
14-78 219
- CAPITAL REGION DEVELOPMENT AUTHORITY**
Auditors of Public Accounts biennial compliance audits, required
14-227 199
- CEMETERIES**
Burial depth/proximity to homes, restrictions
14-231 372
- CERTIFICATE OF NEED**
Applications, OHCA considerations expanded
14-168 364
Group medical practice transfers, CON requirement
14-168 364
- CHARITABLE ORGANIZATIONS**
See also Nonprofit Organizations
DDS abuse/neglect registry, access expanded
14-165 362
Temporary liquor permits, multiple event application modified
14-111 207
- CHILD ABUSE**
See also Children and Families, Dept. of
Mandated reporters, expanded
14-186 92
Mandated reporters, expanded to DPH employees
14-39 102
Sexual abuse and assault awareness program, school board implementation requirement
14-196 96
"Uncared for" children/youth, trafficking victim inclusion
14-186 92
- CHILD CARE**
See Day Care
- CHILD SUPPORT**
Delinquent obligors, list required
14-177 319
- CHILD SUPPORT ENFORCEMENT BUREAU**
Delinquent child support obligors list, establishment/maintenance requirements
14-177 319
- CHILDREN AND FAMILIES, DEPT. OF**
Administrative regulations, several requirements eliminated
14-187 221
Adoptions, biological parent contact/health history form, responsibilities
14-133 358
Animal abuse, mandated reports modified
14-70 87
Child supervision/treatment needs, disclosure to CSSD, requirement
14-173 318
Children in custody, educational file review required
14-99 91
Juvenile delinquents, fitness/security risk evaluations
14-187 221
Juvenile mental health facility placements, hearing requirement eliminated
14-187 221
Paroled children, DCF placement circumstances expanded
14-187 221
Permanency plan goals, changes
14-187 221

Photo-listing/central registry requirements, eliminated
14-187 221

Records disclosure, circumstances expanded
14-186 92

School employee abuse/neglect investigation reporting, modifications
14-186 92

Sexual abuse and assault awareness program, school board implementation requirement
14-196 96

Trafficking victims, authorized actions expanded
14-186 92

CHILDREN AND MINORS

See also Adoption; Child Abuse; Child Support; Day Care; Paternity; Special Education

Adult adoption procedure changed
14-104 308

Alcohol possession, prohibition modified
14-144 209

Child born out of wedlock, paternity/inheritance rights
14-104 308

Child custody orders/disclosure, Judicial Branch central computer system use allowed
14-173 318

Child pornography, digitally generated visual depiction inclusion
14-192 321

Child Poverty and Prevention Council, membership/report requirements expanded
14-132 255

Cigarette possession, penalties modified
14-76 88

Concussion training/consent requirements
14-66 85

DCF custody, permanency plan goal requirements changed
14-187 221

DCF custody, school district educational status report required
14-99 91

DCF/DSS records, sharing circumstances expanded
14-186 92

E-cigarette possession, prohibited/penalties established
14-7688

Emergency ex parte custody orders, minor/clarifying changes
14-207323

Family relations proceedings, guardian ad litem/counsel for minor children appointments/participation
14-207323

Guardians ad litem/counsels for minor children, appointment requirements modified
14-3297

Hunting/fishing licenses, youth requirements modified
14-201162

Jewelry, cadmium ban delayed
14-14092

Juvenile court matters, records access/disclosure
14-104308
14-173318

Juvenile Justice Policy and Oversight Committee, established
14-2177

Lead poisoning, testing requirements modified
14-231372

Mental health facility placements, hearing requirement eliminated
14-187221

Paternity acknowledgment process, adult child inclusion
14-231372

Special Immigration Juvenile Status findings, probate court authorization
14-104308

Trafficking victims, DCF authorized actions expanded
14-18692

Truancy clinic, New Haven children's regional probate court authorization
14-103306

Youth camps/child care facilities, physical exams/school health forms allowed/requirements
14-15357

CIGARETTES

See Tobacco Products

CIVIL PROCEDURE

*See also Courts; Crimes and Offenses;
Criminal Procedure; Evidence;
Foreclosure; Landlord and Tenant*

| | |
|--|-----|
| Arbitration of motor vehicle accidents, bodily injury claims 14-156 | 317 |
| Civil protection orders, created 14-217 | 7 |
| Counterfeit drug sale/delivery, DCP penalty authority 14-224 | 213 |
| Crane/hoisting operator violations, fine increase effective date delayed 14-29 | 386 |
| Drug manufacturer payments/transfers to APRN disclosure violations, penalties 14-12 | 355 |
| Easement/right-of-way repair refusal by owner, right to sue 14-67 | 304 |
| Environmental laboratory violations, DPH penalties 14-231 | 372 |
| False Claims Act, scope expanded 14-217 | 7 |
| Guardians ad litem/counsels for minor children, appointment requirements modified 14-3 | 297 |
| Mental health/out-of-state professionals/ social worker records, civil action admissibility rules 14-37 | 303 |
| Occupational boards/commissions, civil penalty imposition authority 14-210 | 212 |
| Restraining orders, measures expanded/ violation penalties increased 14-217 | 7 |
| Service of process by indifferent person without authorization, misdemeanor established 14-86 | 305 |
| Service of process involving banking commissioner, certified mail return receipt requested allowed 14-7 | 65 |
| Tobacco product sale(s) to minors, penalty modifications 14-76 | 88 |

**CLEAN ENERGY FINANCE AND
INVESTMENT AUTHORITY**

| | |
|---|-----|
| Commercial Property Assessed Clean Energy program (PACE), microgrid inclusion 14-94 | 134 |
| Renamed Green Bank 14-94 | 134 |

COLLECTIVE BARGAINING

| | |
|---|---|
| Child care providers/personal care attendants, certain provisions approved 14-217 | 7 |
|---|---|

COLLEGES AND UNIVERSITIES

*See also Connecticut State University;
Higher Education; Higher Education,
Office of; University of Connecticut*

| | |
|---|-----|
| Academic program requirement violations, BOR penalty authority eliminated 14-91 | 249 |
| CSUS 2020 infrastructure program renamed CT State Colleges and Universities 2020 program 14-98 | 173 |
| CSUS infrastructure program, expanded/ bonds authorized/extended 14-98 | 173 |
| Manufacturing technology centers, expansion 14-225 | 351 |
| Sexual assault/intimate partner violence policies, expanded/report requirement 14-11 | 243 |
| State, cooperative purchasing allowed 14-106 | 249 |
| Students, meningitis vaccination requirement 14-231 | 372 |

COMMISSIONS

See Boards and Commissions

COMMON INTEREST COMMUNITIES

| | |
|--|-----|
| Common Interest Ownership Act, modifications 14-215 | 326 |
| Community association manager criminal acts, maximum fine doubled 14-215 | 326 |

COMPUTERS

See Electronic Communications

CONDOMINIUMS

See Common Interest Communities

CONFIDENTIALITY

See also Freedom of Information

Arrestees, DMHAS data sharing requirement
 14-138 360

DCF record disclosure, modifications
 14-186 92

Insurance company Own Risk and Solvency Assessment, confidentiality
 14-107 270

Insurance company valuation submissions, confidentiality expanded
 14-195 289

Juvenile court records, probate court access/disclosure
 14-104 308
 14-173 318

Personal information, probation officer disclosure exemption
 14-34 219

Pharmacy audits
 14-193 287

Whistleblower investigations, DRS disclosures to Auditors of Public Accounts allowed
 14-227 199

CONNECTICUT AIRPORT AUTHORITY

Bradley International advisory committee
 14-199 407

Executive director/employee benefit plans, state benefit opt-out
 14-199 407

Occupational licensing, CAA employees exemption
 14-199 407

CONNECTICUT GREEN BANK

Named
 14-94 134

CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Connecticut Student Loan Foundation, reconstitution under CHEFA
 14-217 7

CONNECTICUT HEALTH INSURANCE EXCHANGE

All-payer claims database, substance abuse/mental health disorder data reporting progress
 14-58 (VETOED).....349

Public assistance recipients employment information, record sharing requirements modified
 14-42338

CONNECTICUT HOUSING FINANCE AUTHORITY

Community investment account, funds transferred to Housing Dept.
 14-45251

CONNECTICUT INNOVATIONS, INC.

Financial assistance applicants, liability consideration required
 14-8597

Stem Cell Research Fund, responsibilities transferred from DPH
 14-98173

Technical changes
 14-7997

CONNECTICUT LOTTERY CORPORATION

Keno authorization repealed
 14-471

CONNECTICUT PORT AUTHORITY

Established
 14-222410

CONNECTICUT RESOURCES RECOVERY AUTHORITY

Dissolved
 14-94134

CONNECTICUT SITING COUNCIL

Telecommunications tower/antenna inventory, municipal reporting requirement repealed
 14-19343

CONNECTICUT STATE LIBRARY

Electronic books, statewide platform establishment allowed
 14-82207

CONNECTICUT STATE UNIVERSITY

| | |
|--|-----|
| CSUS 2020 infrastructure program renamed CT State Colleges and Universities (CSCU) 2020 program 14-98 | 173 |
| CSUS infrastructure program, expanded/ bonds authorized/extended 14-98 | 173 |

**CONNECTICUT STUDENT LOAN
FOUNDATION**

| | |
|--|---|
| Assets, specified amounts transferred 14-47 | 1 |
| Reconstituted 14-217 | 7 |

**CONNECTICUT UNFAIR TRADE
PRACTICES**

| | |
|---|-----|
| "Do Not Call" registry violation, penalties increased 14-53 | 206 |
| Pharmacy rewards program, violations 14-197 | 211 |

CONSERVATION

See Energy Conservation

CONSERVATORS

See Probate Courts

CONSTRUCTION

*See also Contracts and Contractors;
School Construction*

| | |
|---|-----|
| Crane/hoisting equipment operators, crane definition effective date delayed 14-29 | 386 |
|---|-----|

CONSTRUCTION SERVICES, DEPT. OF

| | |
|---|-----|
| Crane/hoisting equipment operators, crane definition effective date delayed 14-29 | 386 |
|---|-----|

CONSUMER PROTECTION

*See also Connecticut Unfair Trade Practices;
Lemon Law*

| | |
|---|-----|
| Cadmium in Children's Jewelry Task Force, created 14-140 | 92 |
| "Do Not Call" registry, prohibitions expanded/unsolicited text messages/ penalties increased 14-53 | 206 |

| | |
|---|-----|
| Electric supplier marketing practices, prohibitions/restrictions 14-75 | 131 |
| Heating fuel prepaid guaranteed price plans, restricted timeframe/disclosure 14-51 | 203 |
| Life insurance cancellation notices, third party receipt requirements 14-108 | 272 |
| Pharmacy rewards programs, plain-language summary/protected health information disclosure 14-197 | 211 |
| Residential customers, electric bill redesign/ insert requirements modified 14-94 | 134 |
| Residential electric customers, bill/online account summary redesign requirement 14-75 | 131 |
| Telephone solicitors, robocall disconnection violation fine increased 14-14 | 201 |
| Tuition raffles, partial student loan payments allowed 14-28 | 386 |

CONSUMER PROTECTION, DEPT. OF

*See also Connecticut Unfair Trade
Practices; Occupational Licensing*

| | |
|--|-----|
| Bakeries, design/construction/operation responsibilities 14-126 | 208 |
| Bazaars/raffles, procedures modified 14-24 | 385 |
| Charitable Funds Act violations, compliance assurance expanded 14-127 | 208 |
| Counterfeit drug sale/delivery, investigatory/enforcement authority 14-224 | 213 |
| Farm wineries, off-site sales/tasting permit created 14-189 | 210 |
| Food warehouses/manufacturing establishments, authority expanded 14-126 | 208 |
| Gas station debit card use/handicapped driver assistance, regulations codified 14-16 | 201 |
| Genetically modified foods, "natural" labeling requirement delayed 14-17 | 357 |
| Golf tournament liquor permits, nonprofit organizations allowed 14-32 | 201 |

Heating fuel prepaid guaranteed price plans, disclosure form
14-51 203

Heating fuel prepaid guaranteed price plans, website posting of dealers
14-51 203

Industrial hemp legalization, feasibility study/report requirements
14-191 211

Liquor permit renewal ordinance comments, commissioner review requirement
14-48 202

Liquor permits, multiple event application modification
14-111 207

New Home Construction Guaranty Fund payments, applicant affirmation required
14-127 208

Occupational licensing enforcement, changes
14-210 212

Sterile compounding, DCP oversight expanded
14-224 213

Swimming pool maintenance/repair contractors, experience/training requirements
14-50 202

Tests/examinations waiver, qualified military personnel/veterans
14-131 416

CONTRACTS AND CONTRACTORS

See also Bids and Bidding; Government

Purchasing

Construction manager at risk projects, DAS changes
14-188 236

Contracts with other states, DPH commissioner authority
14-231 372

Disabled janitorial work program, expansion allowed
14-188 236

Heating fuel prepaid guaranteed price plans, restricted timeframe/disclosure
14-51 203

Legislative Management purchasing, existing contract use allowed
14-23 219

New Home Construction Guaranty Fund payments, applicant affirmation required
14-127 208

Prevailing wage job notifications, electronic submission allowed
14-44 339

Privatization contracts, state agency service delivery cost-effectiveness evaluation
14-188236

Set-aside program denials, DAS written notice requirements/appeals
14-227199

State subcontractors, prequalification timeframe modifications
14-188236

CONTROLLED SUBSTANCES

See Drugs and Medicine

CORPORATION BUSINESS TAX

Manufacturer unused credits, redemption allowed
14-2169

Manufacturing Reinvestment Account program, tax exemption expanded
14-6997

Neighborhood Assistance Act credits, annual cap increased
14-171 (VETOED).....100

Neighborhood Assistance Act tax credit eligibility, college loan forgiveness program investments
14-227199

Revenue, Citizen's Election Fund deposits
14-78219

CORPORATIONS

See also Business

Medical foundations, formation/requirements
14-168364

CORRECTION, DEPT. OF

Alternative sentencing/community release plans, access
14-173318

COURTS

See also Civil Procedure; Criminal Procedure; Judicial Branch; Probate Courts; Superior Courts; Supreme Court

Accelerated rehabilitation, eligibility modifications/court file sealing
14-233330

Adoptions, original birth certificate access modifications
14-133358

Adult adoption, modifications
14-104308

- Alternative sentencing/community release
plans, access expanded
14-173 318
- Bail bonds, automatic termination changes
14-207 323
- Bail bonds, procedures modified
14-184 320
- Civil restraining orders, measures
expanded/violation penalties increased
14-217 7
- Connecticut Code of Evidence, Supreme Court
authorized/standing advisory committee
adoption
14-120 312
- Emergency ex parte custody orders, minor/
clarifying changes
14-207 323
- Family relations matters, investigative report
filing requirements changes
14-207 323
- Family relations proceedings, GAL/CMC
appointments/participation
14-207 323
- Fire losses, statute of limitations extended
14-175 286
- "Foreclosure by market sale," procedures
created
14-84 68
- Guardians ad litem/counsels for minor
children, appointment requirements
modified
14-3 297
- Horse/pony/donkey/mule, mischievous/
vicious propensity finding disallowed
14-54 147
- Housing matters, venue modifications
14-207 323
- Insurance Dept. pharmacy audit
investigations/hearing appeals
14-193 287
- Out-of-state corporations/businesses,
records/data warrants authorized
14-233 330
- Pretrial diversionary programs, veteran
eligibility modified
14-56 415
- Proceedings, health professionals
participation parameters
14-207 323
- Special education administrative cases pilot
program, authorization eliminated
14-207 323
- Standing criminal protective order issuance,
circumstances expanded
14-234 334
- Tracking device installation warrants,
authorized
14-233 330
- Training program, family violence crimes
inclusion
14-234 334
- "Uncared for" children/youth, trafficking
victim inclusion
14-186 92
- Wrongful Conviction Commission,
authorization eliminated
14-207 323
- CREDIT**
- Credit cards, Judicial Branch fee payment
authorization
14-207 323
- Employers requiring credit checks, expanded
14-109 340
- CREDIT UNIONS**
- ATM, definition modified
14-89 71
- Subsidiary licensure/bonding requirements,
certain exemptions modified
14-89 71
- CRIME VICTIMS**
- Drunk driving victim impact statement,
defendant's pretrial alcohol education
program participation requirement
14-110 311
- Sexual abuse/stalking, civil protection orders
created
14-217 7
- CRIMES AND OFFENSES**
- See also Civil Procedure; Courts; Criminal
Procedure; Domestic Violence; Driving
While Intoxicated; Evidence; Sex Crimes;
Superior Courts; Traffic Rules and
Regulations*
- Administrative license suspensions, penalties
modified
14-228 328
- Bad check issuance, penalties modified
14-233 330
- Certain assaults, 2nd degree assault
designation
14-220 390
- Child pornography possession, visual
depictions expanded
14-192 321

| | | | |
|--|-----|--|-----|
| Common interest community association management services violations, certain maximum fines doubled 14-215 | 326 | MCO substance abuse/mental disorder data reporting violations, penalty 14-58 (VETOED)..... | 349 |
| Counterfeit drug/device sale/delivery, DCP penalty authority 14-224 | 213 | Motorist causing harm to a vulnerable user of a public way, fine established 14-31 | 393 |
| Criminal impersonation, state marshal inclusions 14-86 | 305 | Persistent offender protective order violation, enhanced penalties 14-147 | 314 |
| DCP occupational boards/commissions, enforcement modifications 14-210 | 212 | Protective order violation, expanded 14-173 | 318 |
| E-cigarettes sales to/possession by minors, established 14-76 | 88 | Protective/restraining order violations, penalties increased 14-217 | 7 |
| Fraudulent transfer of vessel title, penalties established 14-63 | 393 | Running bamboo, nuisance crime 14-100 | 154 |
| Fraudulent use of ATM, penalty increased 14-233 | 330 | Scrap metal processor receipt of municipal property, penalties extended 14-83 | 345 |
| Gasoline station price/refueling assistance posting requirement violations, penalties 14-16 | 201 | Second-degree assault under certain conditions, accelerated rehabilitation ineligibility 14-220 | 390 |
| Glass/elver eel takings, penalty changed 14-190 (VETOED)..... | 160 | Seed law violation, penalty increased 14-223 | 165 |
| Harassment in first degree, minor change 14-233 | 330 | Service of process by indifferent person without authorization, misdemeanor established 14-86 | 305 |
| Harassment in the first degree, minor change 14-234 | 334 | Stolen military valor, limited 214-56 | 415 |
| Historical agricultural structure preservation easement agreements, noncompliance penalties authorized 14-101 | 346 | Telephone solicitor "Do Not Call" registry violations, penalties increased 14-53 | 206 |
| Improperly packaged cigarette sales, fines 14-76 | 88 | Telephone solicitors, robocall disconnection violation fine increased 14-14 | 201 |
| Insurance company Own Risk and Solvency Assessment report submission violation, civil penalty imposition 14-107 | 270 | Vehicular homicide/evading responsibility violations, statute of limitations eliminated 14-185 | 321 |
| Intentionally riding a public bus without paying the fare, penalty reduced 14-199 | 407 | Vessel abandonment, fine established 14-57 | 148 |
| Internet sweepstakes cafe operation, misdemeanor established 14-217 | 7 | | |
| Juice bar operation violation penalties, application/maximum fine increased 14-181 | 320 | | |
| Lead abatement fines/penalties, modified 14-231 | 372 | | |
| Malicious revelation of domestic violence shelter location, established 14-234 | 334 | | |

CRIMINAL PROCEDURE

See also Civil Procedure; Crimes and Offenses; Driving While Intoxicated; Evidence

| | |
|---|-----|
| Accelerated rehabilitation, eligibility modifications/court file sealing 14-233 | 330 |
| Arrestees, DMHAS assessment/information sharing requirements 14-138 | 360 |

| | | | |
|--|-----|--|-----|
| Bail bonds, automatic termination changes 14-207 | 323 | Physical exams/school health forms allowed/requirements 14-15 | 357 |
| Bail bonds, procedures modified 14-184 | 320 | School readiness program, funding changes 14-39 | 102 |
| Child pornography, affirmative defense exclusion 14-192 | 321 | DEATH <i>See also Cemeteries; Funerals</i> Disposition of a body, conservator duty changes 14-204 | 322 |
| Civil commitment, jurisdiction/service of process/rules of evidence 14-103 | 306 | DEBTORS AND CREDITORS Bad check issuance, penalties modified 14-233 | 330 |
| Emergency ex parte custody orders, minor/ clarifying changes 14-207 | 323 | Bank account executions, protected funds expanded 14-9 | 337 |
| Ignition interlock device requirements, modified 14-228 | 328 | Consumer collection agency licensure, DOB suspension authority 14-89 | 71 |
| Protective order violation by persistent offenders, enhanced penalties 14-147 | 314 | Debt negotiators, judgment recovery/license requirements expanded 14-7 | 65 |
| Sentencing Commission, certificate of rehabilitation responsibilities 14-27 | 301 | Debtor's funds, satisfied judgment process modified 14-7 | 65 |
| Standing protective order issuance, circumstances expanded 14-234 | 334 | DEVELOPMENTAL SERVICES, DEPT. OF Abuse, definition expanded 14-165 | 362 |
| Tracking device installation warrants, authorized 14-233 | 330 | Abuse/neglect registry, charitable organizations access expanded 14-165 | 362 |
| Violation of probation warrants, probation officer responsibilities 14-233 | 330 | Advisory/planning councils, member term extension authorization 14-143 | 361 |
| CUTPA <i>See Connecticut Unfair Trade Practices</i> | | Autism spectrum disorders, abuse/neglect investigations authority 14-165 | 362 |
| DAIRIES AND DAIRY PRODUCTS Milk, certain drinks banned in schools 14-230 (VETOED) | 125 | Permanent supportive housing initiative, administration 14-46 | 252 |
| DAY CARE Collective bargaining provisions approved, certain child care providers 14-217 | 7 | Residential facility revolving loan fund, administration MOU allowed 14-231 | 372 |
| Employee abuse/neglect suspects, suspension procedures changed 14-186 | 92 | DEVELOPMENTALLY DISABLED <i>See also Developmental Services, Dept. of</i> Autism spectrum disorder abuse/neglect investigations, process/DDS authority 14-165 | 362 |
| Licensed centers/homes, Early Childhood Office unannounced visitation frequency increased 14-39 | 102 | | |
| Municipally administered services, licensing exemption expanded 14-38 | 101 | | |

| | | | |
|---|-----|---|-----|
| Autism Spectrum Disorder Advisory Council, membership increased 14-143 | 361 | Healthcare associated infections, report scope expanded/website posting requirement 14-214 | 370 |
| Conservatorship hearings for intellectually disabled, psychologist evidence allowed 14-121 | 312 | Hepatitis C, testing requirement 14-203 | 369 |
| Developmental disability services, statutory terminology updated 14-143 | 361 | | |
| Developmental Services Council, membership/meeting frequency 14-143 | 361 | DIVORCE <i>See Child Support</i> | |
| Mandated abuse/neglect reporters, reporting requirements increased 14-165 | 362 | DOMESTIC VIOLENCE <i>See also Crimes and Offenses</i> | |
| | | Civil restraining orders, measures expanded/violation penalties increased 14-217 | 7 |
| DISABILITIES, PERSONS WITH <i>See also Developmental Services, Dept. of; Mental Health and Addiction Services, Dept. of</i> | | College/university policies expanded, sexual assault/intimate partner violence 14-11 | 243 |
| Acquired brain injuries, second Medicaid waiver application authorized 14-150 | 63 | Malicious revelation of domestic violence shelter location, established 14-234 | 334 |
| Acquired Brain Injury Medicaid Waiver Advisory Committee, created 14-150 | 63 | Protective order violation by persistent offenders, enhanced penalties 14-147 | 314 |
| Circuit breaker credit limit, property value consideration 14-96 (VETOED)..... | 345 | Second degree breach of peace, family violence designation 14-234 | 334 |
| Gasoline station refueling assistance posting requirements, DCP regulations codified 14-16 | 201 | Sexual assault of spouse/cohabitor, mandatory minimum sentence 14-234 | 334 |
| Janitorial jobs program, expansion allowed 14-188 | 236 | | |
| Rental rebate program, eligibility expanded/administrative duties transferred 14-217 | 7 | DRINKING WATER <i>See Water and Water Companies</i> | |
| | | DRIVERS' LICENSES | |
| DISCRIMINATION | | Administrative license suspension violations, penalties/waiting period modified 14-228 | 328 |
| Offenders holding "certificate of employability" or "certificate of suitability for licensure, prohibited 14-27 | 301 | Commercial, changes 14-130 | 402 |
| | | Expedited licensing procedure, DMV development allowed 14-130 | 402 |
| DISEASES <i>See also Immunizations</i> | | Public passenger license holders, certain arrests reported to DMV 14-130 | 402 |
| Alzheimer's/dementia, training requirements established 14-194 | 60 | Renewals, allowed for certain disqualifying medical conditions 14-130 | 402 |
| Chronic disease plan, required 14-148 | 362 | Suspension changes 14-228 | 328 |
| Connecticut Tumor Registry, modifications 14-231 | 372 | Tests/examinations waiver, qualified military personnel/veterans 14-131 | 416 |

DRIVING WHILE INTOXICATED

| | |
|---|-----|
| Blood alcohol content test refusal, special operator's permit waiting period eliminated 14-228 | 328 |
| Driver license suspensions/ignition interlock device requirements, changed 14-228 | 328 |
| Out-of-state DUI convictions, ignition interlock device requirements allowed 14-228 | 328 |
| Pretrial alcohol education program participation requirement, victim impact statement 14-110 | 311 |

DRUG ABUSE

See Alcohol and Drug Abuse

DRUGS AND MEDICINE

See also Alcohol and Drug Abuse;

Immunizations; Pharmacies and Pharmacists

| | |
|--|-----|
| APRNs, prescriptive authority expanded 14-12 | 355 |
| Brand name drug prescribing/dispensing, procedures changed 14-224 | 213 |
| Counterfeit drug sale/delivery, prohibition/DCP authority 14-224 | 213 |
| Individual health insurance policies, mail order pharmacy requirement prohibition expanded 14-118 | 273 |
| Manufacturer payments/transfers to APRNs, reporting requirement 14-12 | 355 |
| Medical assistance programs, brand-name drug prescription procedure modified 14-158 | 256 |
| Nonprescription, sales/use tax exemption 14-47 | 1 |
| Opioid antagonist administration, immunity 14-61 | 304 |
| Over-the-counter, DSS medical assistance program coverage expanded 14-157 | 255 |
| Step therapy regimens, requirements 14-118 | 273 |

DRUNK DRIVING

See Driving While Intoxicated

EARLY CHILDHOOD, OFFICE OF

| | |
|---|-----|
| Alliance school district social/emotional well-being strategy, grants 14-172 | 260 |
| Connecticut Smart Start competitive grant preschool program, design/administration 14-41 | 111 |
| Established 14-39 | 102 |
| Establishment modifications 14-41 | 111 |
| Youth camps, school health form regulations 14-15 | 357 |

ECONOMIC AND COMMUNITY**DEVELOPMENT, DEPT. OF**

| | |
|---|-----|
| Connecticut Manufacturing Innovation Fund, established 14-98 | 173 |
| Financial assistance applicants, liability consideration requirement 14-85 | 97 |
| Housing responsibilities transferred to DOH, minor changes 14-26 | 251 |
| Housing-related powers, transferred to DOH 14-35 | 251 |
| Industrial hemp legalization, feasibility study 14-191 | 211 |
| Industrial reinvestment projects, unused tax credit redemption process/requirements 14-2 | 169 |
| Maritime functions/commission, transfer plan responsibilities 14-222 | 410 |
| Port policies, review/recommendations requirement 14-222 | 410 |
| Private development brownfield loans, repayment delay/forgiveness 14-88 | 97 |
| Small Business Express Program matching grant requirements, municipalities waiver 14-98 | 173 |
| Surplus state property, OPM notification 14-129 | 99 |

ECONOMIC DEVELOPMENT

See also Business; Manufacturers

| | |
|---|-----|
| CII, technical changes 14-79 | 97 |
| Connecticut Port Authority, established 14-222 | 410 |

Enterprise zone designated areas,
 Wallingford/Thomaston
 14-217 7

Financial assistance applicant liabilities,
 DECD/CII consideration
 14-85 97

Industrial hemp legalization, feasibility study
 14-191 211

Manufacturing Assistance Act program,
 bonds authorized
 14-98 173

Priority funding areas, growth-related project
 threshold raised
 14-139 347

Small Business Express Program matching
 grant requirements, distressed
 municipalities waiver
 14-98 173

Urban Action program, bonds authorized
 14-98 173

Urban and Industrial Site Reinvestment
 Program, available tax credits increased
 14-98 173

EDUCATION

*See also Colleges and Universities;
 Education Cost Sharing Grants;
 Education, State Board of; Education,
 State Dept. of; Higher Education;
 Schools and School Districts; Special
 Education; Students; Teachers*

Connecticut Smart Start grant program,
 bonds authorized
 14-98 173

English Language Learner incentive program,
 modified
 14-21 246

Office of Early Childhood, established
 14-39 102

School readiness program, funding changes
 14-39 102

Sheff settlement, Phase III stipulation
 compliance
 14-217 7

State Education Resource Center Board of
 Directors, created
 14-212 121

Vocational agricultural equipment/facilities,
 exclusive use requirement
 14-230 (VETOED) 125

EDUCATION, BOARDS OF

See also Schools and School Districts

Armed school security personnel,
 requirements expanded
 14-212 121

Expulsion record expungement/modification
 authority
 14-229 125

Safe school climate plan rejections, follow-up
 requirements
 14-232 129

School construction projects, security
 assessment requirements
 14-90 113

EDUCATION COST SHARING GRANTS

Municipal appropriation specified
 14-47 1

EDUCATION, FINANCE

See Education Cost Sharing Grants

EDUCATION, STATE BOARD OF

Coach permit revocation, sudden cardiac
 arrest awareness education program
 review violations
 14-93 90

Coach permittees, mandated reporter inclusion
 14-186 92

Concussion education plan/informed consent
 form, development
 14-66 85

Exam fees, rate setting authority eliminated
 14-187 221

School epipen storage/administration
 procedures, regulations
 14-176 120

Student allergic reaction emergency first aid,
 training program development
 14-176 120

Sudden cardiac awareness, education
 program/consent form development
 14-93 90

EDUCATION, STATE DEPT. OF

Administrator alternative route to
 certification, proposed program
 considerations
 14-230 (VETOED) 125

Certain early childhood programs, transferred
 to Office of Early Childhood
 14-39 102

| | | | |
|---|-----|---|-----|
| Connecticut Smart Start competitive grant program, design/administration 14-41 | 111 | Polling place hours extension, notification requirements 14-188 | 236 |
| High school graduation requirements, substitute exam use allowed 14-230 (VETOED) | 125 | ELECTRIC COMPANIES | |
| Safe school climate plan, review/approval procedures 14-232 | 129 | <i>See also Utilities</i> | |
| School construction grants, responsibilities transferred to DAS 14-90 | 113 | Project 150 projects' in-service deadline, maximum extension increased 14-94 | 134 |
| School paraprofessionals, professional development responsibilities 14-212 | 121 | Required power purchasing agreements, cost recovery allowed 14-94 | 134 |
| Sexual abuse/assault awareness program, school board implementation requirement 14-196 | 96 | Residential clean energy/heating equipment financing programs, cost recovery modifications 14-94 | 134 |
| State Education Resource Center, funds allocation 14-212 | 121 | Residential customers, bill redesign/insert modifications 14-94 | 134 |
| Summer learning grant program, administration 14-230 (VETOED) | 125 | Residential customers, market changes 14-75 | 131 |
| Teen dating violence, safe school climate plan inclusion 14-234 | 334 | Submetering entities, electric company exemption 14-134 | 142 |
| ELDERLY PERSONS | | Vegetation management, procedural changes 14-151 | 143 |
| <i>See also Home Health Care; Medicare; Nursing Homes</i> | | Virtual net metering, renewable energy billing credits 14-134 | 142 |
| Circuit breaker credit limit, property value consideration 14-96 (VETOED) | 345 | ELECTRONIC COMMUNICATIONS | |
| Fall Prevention Program oversight, transferred 14-116 | 254 | Business email address inclusion requirements, SOTS filings 14-154 | 314 |
| Livable communities initiative, Aging Commission recognitions 14-73 | 59 | Internet sweepstakes cafe operation, misdemeanor established 14-217 | 7 |
| Nutrition service stakeholders, DSS/Aging Dept. quarterly meeting requirement 14-73 | 59 | EMERGENCY SERVICES | |
| Rental rebate program, eligibility expanded/administrative duties transferred 14-217 | 7 | <i>See also Firefighters and Fire Officials; Law Enforcement Officers</i> | |
| ELECTIONS | | Consolidated dispatch services, governing board creation authorized 14-179 | 388 |
| <i>See also Campaign Contributions and Expenditures</i> | | Emergency department physicians, Medicaid provider enrollment/reimbursement modifications 14-160 | 256 |
| Citizen's Election Fund, corporation business tax revenue deposits/reserve account authorization 14-78 | 219 | EMTs, Alzheimer's/dementia training requirements established 14-194 | 60 |
| Electronic voter check-in, authorization 14-217 | 7 | First Responder Day, proclamation 14-25 | 385 |

| | | | |
|--|-----|---|-----|
| Medicaid administrative service organizations, intensive care management regional teams created 14-62 | 350 | Solar thermal/geothermal energy systems, property tax exemptions limited 14-94 | 134 |
| Municipal EMS plans, update requirements 14-217 | 7 | | |
| Organizations, strike contingency plans 14-231 | 372 | | |
| Paramedic intercept services/EMS staffing agencies, licensure 14-231 | 372 | | |
| Primary service area responders, removal provisions established 14-217 | 7 | | |
| EMERGENCY SERVICES AND PUBLIC PROTECTION, DEPT. OF | | ENERGY AND ENVIRONMENTAL PROTECTION, DEPT. OF | |
| Security guard training waiver, qualified military personnel/veterans 14-131 | 416 | <i>See also Public Utilities Regulatory Authority</i> | |
| Sex offender address change, school superintendent notification required 14-213 | 326 | Electricity purchasing pool, expanded/ requirements 14-94 | 134 |
| Sex offender release, municipal notification required 14-192 | 321 | Electronics recycling program, report submission modifications 14-94 | 134 |
| 14-213 | 326 | Energy efficiency compliance standards, modified 14-94 | 134 |
| Student safety hotline feasibility study, required 14-232 | 129 | Fracking waste, regulations required 14-200 | 160 |
| | | Glass/elver eel harvesting restrictions, authorized 14-190 (VETOED)..... | 160 |
| | | Heritage parks, designation/alteration authority modified 14-43 | 147 |
| | | Human bodily effects, clean-up cost liability modifications 14-153 | 155 |
| | | Hunting/fishing guides, annual registration required 14-201 | 162 |
| | | Hunting/fishing licenses/permits, occasional fee reduction allowed 14-201 | 162 |
| | | Hunting/trapping/archery safety courses, instruction/fee requirements 14-201 | 162 |
| | | "Lands of public use and benefit" designation, authorized/registry 14-169 | 158 |
| | | Solid waste facility/disposal contract identification requirements eliminated 14-94 | 134 |
| | | Solid waste management plan, revision required 14-94 | 134 |
| | | Sport fishing licenses, amnesty days authorized 14-201 | 162 |
| | | State property conservation/preservation restrictions, authorization 14-169 | 158 |
| | | Utility vegetation management practices, study 14-151 | 143 |
| EMERGENCY SERVICES AND PUBLIC PROTECTION, DEPT. OF | | | |
| Security guard training waiver, qualified military personnel/veterans 14-131 | 416 | | |
| Sex offender address change, school superintendent notification required 14-213 | 326 | | |
| Sex offender release, municipal notification required 14-192 | 321 | | |
| 14-213 | 326 | | |
| Student safety hotline feasibility study, required 14-232 | 129 | | |
| EMERGENCY VEHICLES | | | |
| Passing school bus with flashing lights, allowed 14-221 | 391 | | |
| EMINENT DOMAIN | | | |
| Transfer Act exemption 14-88 | 97 | | |
| EMISSIONS | | | |
| <i>See Air Pollution</i> | | | |
| ENERGY | | | |
| <i>See also Electric Companies; Energy Conservation; Utilities</i> | | | |
| Connecticut Energy Advisory Board, dissolved 14-94 | 134 | | |
| NuPower Thermal LLC renamed Bridgeport Thermal LLC 14-94 | 134 | | |

- Voluntary Remediation Program, interim verifications allowed
14-88 97
- Water system plans, comments required
14-163 155
- ENERGY CONSERVATION**
- Commercial Property Assessed Clean Energy program (PACE), microgrid inclusion
14-94 134
- Energy efficiency compliance standards, modified
14-94 134
- Leadership in Energy and Environmental Design standards, certain state facilities exempted
14-199 407
- Project 150 projects' in-service deadline, maximum extension increased
14-94 134
- Residential clean energy/heating equipment financing programs, electric utility cost recovery allowed
14-94 134
- State building energy efficiency compliance standards, DAS regulation
14-94 134
- ENTERPRISE ZONES**
See Economic Development
- ENVIRONMENTAL PROTECTION**
See also Agriculture; Air Pollution; Energy and Environmental Protection, Dept. of; Fish and Game; Hazardous Substances; Hazardous Waste; Solid Waste Management; Water and Water Companies
- Conservation/preservation restrictions authorized, DEEP/DoAg property
14-169 158
- "Lands of public use and benefit" designation, authorized/registry
14-169 158
- Outdoor wood burning furnace restrictions, permanence
14-92 154
- Running bamboo, planting modifications/nuisance crime
14-100 154
- ESTATES AND TRUSTS**
See also Probate Courts
- Adult adoption, inheritance rights
14-104 308
- Conservator succession, probate court designation authorized
14-103 306
- Disposition of a deceased person's body, conservator duty changes
14-204 322
- Estate, tax calculations/gift tax credit
14-155 190
- Intestate succession, paternity establishments/inheritance rights
14-104 308
- Property held in trust, tax relief for certain occupants
14-124 347
- EVICITION**
See Landlord and Tenant
- EVIDENCE**
- Connecticut Code of Evidence, Supreme Court authorized/standing advisory committee adoption
14-120 312
- Conservator hearings for intellectually disabled, psychological evidence allowed
14-121 312
- Conservator/involuntary civil commitment hearings, rules of evidence application
14-103 306
- Mental health/out-of-state professionals/ social worker records, civil action admissibility rules
14-37 303
- Negligence actions, employee conviction admissibility limited
14-27 301
- FAMILY VIOLENCE**
See Domestic Violence
- FARMS AND FARMERS**
See also Agriculture; Dairies and Dairy Products
- Farm machinery property tax exemption, expanded
14-33 344

| | |
|---|--|
| <p>Farm wineries, off-site sales/tasting permit created 14-189 210</p> <p>Historic agricultural structure preservation program, municipal establishment authorized 14-101 346</p> <p>PA 490 preservation program, procedural changes 14-33 344</p> <p>Property tax exemption applications, deadline extension 14-33 344</p> <p>Savin Farm conservation/preservation restrictions, DoAg authorization 14-80 153</p> <p>FINANCIAL INSTITUTIONS <i>See Banks and Banking</i></p> <p>FIRE SAFETY Carbon monoxide/smoke detector affidavits, requirements amended 14-219 389</p> <p>Fire extinguisher installation/use, fire prevention code inclusion required 14-187 221</p> <p>Fire safety enforcement officials, certification/certificate emeritus 14-137 387</p> <p>Fire safety/prevention codes enforcement, technical changes 14-137 387</p> <p>FIREFIGHTERS AND FIRE OFFICIALS <i>See also Emergency Services</i> Fire officials certification/certificate emeritus process, modifications 14-137 387</p> <p>FISH AND GAME <i>See also Animals</i> Fishing/hunting license fees, modified 14-201 162</p> <p>Glass/elver eel, harvesting restrictions/statutory ban/maximum fine eliminated 14-190 (VETOED) 160</p> <p>Hunting/fishing licenses, youth requirements modified 14-201 162</p> <p>Hunting/fishing licenses/permits, occasional fee reduction allowed 14-201 162</p> | <p>Hunting/trapping/archery safety courses, instruction/fee requirements 14-201 162</p> <p>Sport fishing licenses, amnesty days authorized 14-201 162</p> <p>FOOD PRODUCTS Bakeries, DCP design/construction/operation responsibilities 14-126 208</p> <p>Food manufacturing establishments, licensing modifications 14-126 208</p> <p>Food warehouses, DCP registration certificate requirement 14-126 208</p> <p>Funeral home food/beverage service, allowed 14-231 372</p> <p>Genetically modified, "natural" labeling requirements delayed 14-17 357</p> <p>FORECLOSURE Mediation program, certificate of good standing 14-7 65</p> <p>Mediation program, extended/changed 14-89 71</p> <p>Residential properties, "foreclosure by Market sale" option created 14-84 68</p> <p>FORESTS <i>See Parks and Forests</i></p> <p>FORFEITURE Property/funds related to certain criminal offenses, procedures altered 14-233 330</p> <p>Property/funds related to sexual offenses, modified 14-233 330</p> <p>FREEDOM OF INFORMATION <i>See also Confidentiality</i> Fracking waste information gathered by DEEP, applicability 14-200 160</p> <p>Insurance company merger/reorganization information, exemption 14-123 273</p> |
|---|--|

- Probation officers, certain personal information exempted
14-34 219
- FUEL**
See Gasoline Stations; Oil and Gas; Taxation
- FUNERALS**
See also Cemeteries; Death
Food service/director scope of practice, changes
14-231 372
- GAMBLING**
See also Bazaars and Raffles
Internet sweepstakes cafe operation, misdemeanor established
14-217 7
Keno authorization repealed
14-47 1
- GASOLINE STATIONS**
Price posting, DCP regulations codified
14-16 201
Refueling assistance posting requirements, DCP regulations codified
14-16 201
- GENERAL ASSEMBLY**
Debt instrument legislation, State Treasurer notification requirement
14-81 173
Finance, Revenue, and Bonding Committee, state/local tax structure study responsibilities
14-217 7
Fiscal Analysis Office, tax expenditure report delayed
14-81 173
Legislative Management purchasing, existing contract use allowed
14-23 219
- GENERAL ASSISTANCE**
SAGA program/benefits, changes
14-161 257
- GENETIC ENGINEERING**
Food, "natural" label requirements delayed
14-17 357
- GOVERNMENT PURCHASING**
See also Bids and Bidding; Public Works
Certain information/telecommunications system contract RFP awards/review, provisions repealed
14-202 240
Contracts with other states, DPH commissioner authority
14-231 372
Higher education constituent units purchasing request, DAS requirement repealed
14-202 240
Higher education system, certain purchases from other states' vendors authorized
14-106 249
Judicial marshal body armor purchase procedure, modified
14-207 323
Legislative Management, existing contract use
14-23 219
Prevailing wage job cost certification, circumstances expanded
14-44 339
Privatization contract service delivery cost-effectiveness evaluation
14-188 236
State contracts, DAS authority/procedure
14-188 236
State fleet procurement, alternative fuel price preference
14-136 143
- GOVERNOR**
See also Holidays and Proclamations
Biennial budget document, prevention reports requirement eliminated
14-132 255
First Responder Day, proclamation
14-25 385
- GRANTS**
See Education Cost Sharing Grants; State Aid
- HANDICAPPED PERSONS**
See Disabilities, Persons With
- HARBORS**
See Ports
- HAZARDOUS SUBSTANCES**
Cadmium, children's jewelry ban delayed
14-140 92

| | | | |
|--|-----|---|-----|
| Lead abatement fines/penalties, modified 14-231 | 372 | Annual cost report submission violation, DSS retroactive rate increase withholding authorized 14-164 | 259 |
| Lead poisoning, childhood testing requirements modified 14-231 | 372 | Federal antitrust review filings, Attorney General access/use 14-168 | 364 |
| HAZARDOUS WASTE | | Health care center market conduct examination costs, exemption 14-235 | 295 |
| <i>See also Brownfields</i> | | Influenza/pneumonia vaccine administration, changes 14-231 | 372 |
| Abandoned vessel materials, household hazardous waste designation 14-57 | 148 | Licensure, DPH requirements specified 14-211 | 369 |
| Contaminated property remediation, compliance options 14-88 | 97 | Medicaid providers/facilities, DSS auditing processes changed 14-162 | 258 |
| Fracking waste storage/disposal, moratorium established 14-200 | 160 | Medical spas, procedure/service provider requirements 14-119 | 357 |
| Human bodily effects, clean-up cost liability modifications 14-153 | 155 | Multi-care institutions, defined/services allowed/licensure 14-211 | 369 |
| HEALTH | | Nursing facility correction plans, requirements 14-231 | 372 |
| <i>See also Mental Health</i> | | Outpatient service facility fees, patient notification requirement 14-145 | 209 |
| Child Poverty and Prevention Council, membership/report requirements expanded 14-132 | 255 | Outpatient surgical, reporting requirement changes 14-231 | 372 |
| Concussions Task Force, created 14-66 | 85 | Residential care facility direct payments, allowed/regulations 14-164 | 259 |
| Medical foundations, formation/requirements 14-168 | 364 | Residential care home capital improvements, rate increases 14-164 | 259 |
| Municipal health department/district funding, basic health program requirement 14-226 | 371 | Veteran status, patient determination required 14-141 | 419 |
| HEALTH CARE | | HEALTH INFORMATION TECHNOLOGY EXCHANGE OF CONNECTICUT | |
| <i>See Medical Care; Mental Health</i> | | Repealed 14-217 | |
| HEALTH CARE ACCESS, OFFICE OF | | 7 | |
| Certificate of need, application considerations expanded 14-168 | 364 | HEALTH INSURANCE | |
| HEALTH CARE FACILITIES | | <i>See also Health Maintenance Organizations; Managed Care Organizations; Medicaid; Medicare</i> | |
| <i>See also Certificate of Need; Home Health Care; Hospitals; Nursing Homes</i> | | Adverse determinations, requirements changed 14-40 | |
| Alzheimer's special care unit, staff training requirement amended 14-194 | 60 | 265 | |
| Ambulatory surgical center workers' compensation-covered services, price calculation changed 14-167 | 341 | | |

| | | | |
|---|-----|---|-----|
| Breast ultrasound screenings, copayment cap 14-97 | 269 | Federal antitrust review filings, Attorney General access/use 14-168 | 364 |
| Individual policies, mail order pharmacy requirement prohibition expanded 14-118 | 273 | Medical foundation formation/requirements 14-168 | 364 |
| Medicaid waiver, Home Care Program for Elders cost cap eliminated/modified 14-142 | 255 | Medical group practices, notification/reporting/CON requirements 14-168 | 364 |
| Medicaid/Medicare dually eligible patient, administratively necessary hospital day payments 14-116 | 254 | Medical spa service providers, training/experience requirements 14-119 | 357 |
| Occupational therapy services, copayment cap 14-97 | 269 | Mental health professionals, civil action admissibility rules 14-37 | 303 |
| Over-the-counter drugs, DSS medical assistance program coverage expanded 14-157 | 255 | Primary care provider patients, hepatitis C testing requirement 14-203 | 369 |
| Pharmacy audits, confidentiality/procedure 14-193 | 287 | Radiologic technicians, paid sick leave 14-128 | 99 |
| Step therapy regimens, requirements 14-118 | 273 | | |
| Substance abuse/mental disorder data, consumer report card/reporting requirements 14-58 (VETOED) | 349 | HEALTHCARE ADVOCATE, OFFICE OF THE Behavioral health care information/referral services, requirements 14-115 | 254 |
| | | HEATING OIL <i>See Oil and Gas</i> | |
| HEALTH MAINTENANCE ORGANIZATIONS Market conduct examination costs, exemption 14-235 | 295 | HIGHER EDUCATION <i>See also Colleges and Universities; Connecticut State University; University of Connecticut</i> Academic program requirement violations, penalty authority eliminated 14-91 | 249 |
| HEALTH PROFESSIONS <i>See also Nurses and Nursing; Occupational Licensing; Pharmacies and Pharmacists; Psychologists and Psychiatrists</i> Alzheimer's/dementia, training requirements established 14-194 | 60 | Baby Connecticut Higher Education Trust Scholars Fund account, established 14-217 | 7 |
| Certain behavioral clinicians, Medicaid state plan inclusion 14-217 | 7 | College credit, qualified military personnel/veteran awards 14-131 | 416 |
| Collective bargaining provisions approved, certain personal care attendants 14-217 | 7 | Noncredit vocational programs, accountability measures/report inclusion requirements 14-225 | 351 |
| Court proceedings participation 14-207 | 323 | Planning Commission for Higher Education, strategic master plan requirements modified 14-65 | 247 |
| EMT certification waiver, qualified military personnel/veterans 14-131 | 416 | Purchasing request requirements eliminated, certain constituent units 14-202 | 240 |
| EMT certification waiver, qualified military personnel/veterans, technical correction 14-141 | 419 | | |

| | | | |
|--|-----|---|-----|
| State Academic Awards Board, statutory references replaced with Board of Regents/Charter Oak State College 14-117 | 249 | Saybrook Road in Middletown, urban minor arterial classification required 14-199 | 407 |
| HIGHER EDUCATION, BOARD OF REGENTS FOR | | Vulnerable public way user protections, fine established 14-31 | 393 |
| Academic program approval requirements, OHE regulations adherence 14-91 | 249 | HISTORIC PRESERVATION | |
| Academic program requirement violations, penalty authority eliminated 14-91 | 249 | Heritage parks, DEEP designation/alteration authority modified 14-43 | 147 |
| Faculty Advisory Committee vice-chairperson, BOR service requirement 14-208 | 250 | Historic agricultural structure preservation program, municipal establishment authorized 14-101 | 346 |
| "Go Back to Get Ahead" program established 14-217 | 7 | HOLIDAYS AND PROCLAMATIONS | |
| Manufacturing technology centers, expansion study 14-225 | 351 | Are You Dense? Breast Cancer Awareness Day, established 14-188 | 236 |
| Military personnel/veteran college credit waivers, report requirements 14-131 | 416 | First Responder Day, proclamation 14-25 | 385 |
| Military personnel/veteran college credits, reporting requirements modified 14-65 | 247 | Neurological Disorders Awareness Day, established 14-188 | 236 |
| Noncredit vocational program standards established 14-225 | 351 | HOME HEALTH CARE | |
| Vice president appointments, existing practice conformance 14-117 | 249 | Home Care Program for Elders, cost cap eliminated/modified 14-142 | 255 |
| HIGHER EDUCATION, OFFICE OF | | Home care worker overtime, sleep-time exclusion 14-159 | 340 |
| English Language Learner education incentive program, modified 14-21 | 246 | HOSPITALS | |
| Regulations, UConn Board of Trustees/Higher Education Board of Regents applicability 14-91 | 249 | <i>See also Certificate of Need; Health Care Facilities</i> | |
| HIGHWAYS AND ROADS | | Administratively necessary hospital days, dually eligible patient payments 14-116 | 254 |
| <i>See also Traffic Rules and Regulations</i> | | Admissions, procedure requirements 14-168 | 364 |
| Brewery/winery/agriculture, highway signs allowed 14-199 | 407 | Affiliated medical group practice reporting requirements 14-168 | 364 |
| Chemical treatments, DOT study required 14-199 | 407 | For-profit conversions, procedure 14-168 | 364 |
| Merritt/Wilbur Cross parkways, special needs service buses authorized 14-199 | 407 | Medicaid recipient emergency department visits, administrative service organization identification 14-62 | 350 |
| | | Medical foundations, formation/requirements 14-168 | 364 |

| | | | |
|---|-----|---|-----|
| Multi-care institutions, defined/services allowed/licensure 14-211 | 369 | DECD housing-related powers transferred 14-35 | 251 |
| Observation status, patient notification requirements 14-180 | 368 | Rental rebate program, administrative duties transferred to OPM 14-217 | 7 |
| Outpatient service facility fees, patient notification requirement 14-145 | 209 | Responsibilities transferred from DECD, minor changes 14-26 | 251 |
| Patient veteran status, determination requirement 14-141 | 419 | | |
| Workers' compensation-covered services price calculation, changed 14-167 | 341 | | |
| HOUSING | | HUMAN RIGHTS | |
| <i>See also Connecticut Housing Finance Authority; Landlord and Tenant</i> | | Trafficking victims, DCF authorized actions expanded 14-186 | 92 |
| Advisory Council to the Superior Court Housing Session renamed/membership increased 14-4 | 219 | HUMAN SERVICES | |
| DECD responsibilities transferred to DOH 14-26 | 251 | False Claims Act, scope expanded 14-217 | 7 |
| Foreclosure mediation program, certificate of good standing 14-7 | 65 | | |
| Foreclosure mediation program, extended 14-89 | 71 | HUNTING | |
| Hartford homeownership incentive program, authorized 14-174 | 196 | <i>See Fish and Game</i> | |
| Homeowners insurance, cancellation/denial prohibitions expanded 14-175 | 286 | IMMIGRANTS AND IMMIGRATION | |
| Permanent supportive housing initiative, collaborative agencies/eligibility expanded 14-46 | 252 | Defendants removed by ICE, vacated bond release 14-184 | 320 |
| Rental rebate program, eligibility expanded/administrative duties transferred 14-217 | 7 | Special Juvenile Immigration Status findings, probate court authorization 14-104 | 308 |
| Supportive housing subsidies, DMHAS clients 14-138 | 360 | | |
| HOUSING AUTHORITIES | | IMMUNITY | |
| William V. Begg Apartments, disposal exemption expanded 14-49 | 252 | <i>See Liability</i> | |
| HOUSING, DEPT. OF | | IMMUNIZATIONS | |
| Community investment account, funds transferred from CHFA 14-45 | 251 | Childhood immunization registry, school nurse access 14-231 | 372 |
| | | Influenza/pneumonia vaccine administration, changes 14-231 | 372 |
| | | Meningitis, college student vaccination requirement 14-231 | 372 |
| | | IMPLEMENTERS | |
| | | <i>See State Budget</i> | |
| | | INCOME TAXES | |
| | | Hartford owner-occupied homes in specific areas, exemption required 14-174 | 196 |
| | | Nonresident businesses, apportionment 14-155 | 190 |

Nonresidents, applicability
 14-155 190
 Teacher pensions, exemption established
 14-47 1

INFORMATION TECHNOLOGY

See Electronic Communications

INSURANCE

*See also Health Insurance;
 Long-Term Care; Medicare;
 Motor Vehicle Insurance*

Alien insurers, requirements modified
 14-123 273
 Captive insurers, modifications
 14-6 263
 Companies, Own Risk and Solvency
 Assessment requirement
 14-107 270
 Companies, reserve requirements modified/
 expanded
 14-195 289
 Company merger/reorganization processes,
 established
 14-123 273
 Fire losses, reimbursement statute of
 limitations extended
 14-175 286
 Flood, selective coverage/exemptions
 14-175 286
 Homeowner cancellation/denial, prohibitions
 expanded
 14-175 286
 Life, cancellation notification requirements
 14-108 272
 Portable electronics, agent licensing/
 regulatory requirements established
 14-64 266
 Producer license denial, Banking Dept.
 sanctions consideration required
 14-216 294
 Property/casualty certificates of insurance,
 use/inclusion prohibitions
 14-74 269
 Public adjuster employment contracts,
void ab initio provision
 14-175 286
 Surplus lines policies, notice expanded
 14-175 286
 Workers' compensation carriers,
 non-negotiated services price calculation
 method changed
 14-167 341

INSURANCE, DEPT. OF

Alien insurers, requirements modified
 14-123273
 Companies, Own Risk and Solvency
 Assessment requirement
 14-107270
 Consumer report card, substance
 abuse/mental disorder data inclusion
 14-58 (VETOED).....349
 Insurance company merger/reorganization
 process, regulation
 14-123273
 Insurance company risk management
 requirements, powers/duties
 14-107270
 Insurance company valuation submissions,
 information uses expanded
 14-195289
 Insurance producer license denial,
 Banking Dept. sanctions consideration
 required
 14-216294
 Market conduct examination costs,
 exemption
 14-235295
 Pharmacy audit investigations/hearings,
 allowed
 14-193287
 Property/casualty certificates of insurance,
 use investigations authorized
 14-74269

JOB TRAINING

Alzheimer's/dementia, requirements
 established
 14-19460
 Connecticut Employment and Training, older
 worker programs/publicity requirements
 14-225351
 Crane/hoisting equipment apprentices,
 training supervision standards effective
 date delayed
 14-29386
 Film industry workforce training program,
 eliminated
 14-42338

JUDGES

See also specific courts

Retirement salary, reductions
 14-2177

JUDICIAL BRANCH

See also Judges; Probation; specific courts

| | |
|--|-----|
| Body armor purchase procedure, modified 14-207 | 323 |
| Child custody orders/disclosure, central computer system use allowed 14-173 | 318 |
| Court Support Services Division, certificate of rehabilitation issuance/reporting responsibilities 14-27 | 301 |
| Court Support Services Division, child educational file review required 14-99 | 91 |
| Court Support Services Division, modifications 14-173 | 318 |
| Credit cards, acceptance expanded 14-207 | 323 |
| Family relations matters, guardians ad litem/ counsels for minor children professional code of conduct 14-3 | 297 |
| Foreclosure mediation program, certificate of good standing 14-7 | 65 |
| Foreclosure mediation program, extended 14-89 | 71 |
| Judges/family support magistrates/ compensation commissioners, retirement salary reduced 14-217 | 7 |
| Money found on Superior Court property, abandonment presumption/General Fund deposit requirement 14-207 | 323 |
| Oath administration, certain employees authorized 14-207 | 323 |
| Training program, family violence crimes inclusion 14-234 | 334 |

JUICE BARS

| | |
|---|-----|
| Cafe permittees, alcohol service prohibition specified 14-181 | 320 |
| Police notification of scheduled events, modifications 14-181 | 320 |

JUVENILES

See Children and Minors

LABOR AND EMPLOYMENT

*See also Collective Bargaining;
Discrimination; Job Training;
Municipal Officers and Employees;
Occupational Licensing; Retirement
and Pensions; Schools and School
Districts; State Officers and Employees;
Wages; Workers' Compensation;
specific occupations*

| | |
|--|-----|
| Connecticut Employment and Training Commission placement program, annual report requirement 14-42 | 338 |
| Connecticut Employment and Training, older worker programs/publicity requirements 14-225 | 351 |
| Connecticut Technical High School System students, employment information reporting modifications 14-59 | 350 |
| Disabled janitorial job program, expansion allowed 14-188 | 236 |
| Home care worker overtime, sleep-time exclusion 14-159 | 340 |
| Minimum wage, increased 14-1 | 337 |
| Mortgage brokers/lenders, employer required credit checks allowed 14-109 | 340 |
| Mortgage service companies, employee credit checks allowed 14-109 | 340 |
| Negligence actions, employee conviction admissibility limited 14-27 | 301 |
| Offenders, certificate of employability created 14-27 | 301 |
| Paid sick leave, modifications 14-128 | 99 |
| Prevailing wage job notifications, electronic submission allowed 14-44 | 339 |
| School/day care employees suspected of child abuse, suspension procedures changed 14-186 | 92 |
| Self-sufficiency measurement, requirement eliminated 14-42 | 338 |
| Strike contingency plans, EMS organization requirement 14-231 | 372 |

Unemployed worker initiatives, created/
expanded
14-225 351

LABOR, DEPT. OF

Apprentice requirements, qualified military
personnel/veteran waiver
14-131 416

Military personnel/veterans,
license/certification/college credit
responsibilities
14-131 416

Public assistance recipient employment
information, record sharing requirements
modified
14-42 338

Subsidized Training and Employment
Program, expanded
14-38 101

TFA recipient employability plan,
educational courses permitted
14-172 260

Unemployed worker initiatives, created/
expanded
14-225 351

LABORATORIES

Environmental laboratories, definition
changed/authorized testing expanded
14-231 372

Patient test results, direct access
14-231 372

LAND USE

See Open Space

LANDLORD AND TENANT

Advisory Council to the Superior Court
Housing Session renamed/membership
increased
14-4 219

Public housing disposal exemption, expanded
to William V. Begg Apartments in
Waterbury
14-49 252

Rental rebate program, eligibility
expanded/administrative duties transferred
14-217 7

State Marshal service of process, maximum
hourly rate increased
14-87 305

LAW ENFORCEMENT OFFICERS

See also State Marshals

Armed school security personnel,
requirements expanded
14-212121

Arrests of passenger license holders, reports
to DMV
14-130402

College/university sexual assault/intimate
partner violence, response training
requirements
14-11243

Department misconduct investigation policy,
requirements
14-166317

Electronic defense weapon use, reporting
requirements
14-149388

Police Officer Standards and Training
Council certification, cost
reimbursement requirement
14-218 (VETOED).....389

Police Officer Standards and Training
Council, electronic defense weapon use
form/policy development
14-149388

Police Officer Standards and Training
Council, military personnel/veteran
certification waiver
14-131416

Towed vehicle recording into databases,
deadline
14-130402

LEAD POISONING

See Hazardous Substances

LEASES AND LEASING

State, DAS regulations requirement
repealed
14-202240

UConn, certain prohibitions eliminated
14-5243

LEGISLATIVE BRANCH

See General Assembly

LEMON LAW

Arbitration panel, obsolete reference
removed
14-127208

Pet, veterinary expense reimbursement
increased
14-77151

LIABILITY

| | |
|---|-----|
| Agricultural science/technology center internship providers, civil immunity 14-230 (VETOED) | 125 |
| Coach immunity, sudden cardiac arrest procedures 14-93 | 90 |
| Easement/right-of-way repair refusal by owner, right to sue 14-67 | 304 |
| Epinephrine administration, school employee/board immunity 14-176 | 120 |
| Failure to stop minor alcohol possession, owner responsibilities 14-144 | 209 |
| Fallen tree/limb, property owner liability 14-125 (VETOED) | 313 |
| Horse/pony/donkey/mule owner, liability 14-54 | 147 |
| Human bodily effects, clean-up cost modifications 14-153 | 155 |
| Maple-sugaring activities, landowner protections 14-18 | 301 |
| Nursing home cost report action failure, state liability protections 14-55 | 253 |
| Opioid antagonist administration, immunity 14-61 | 304 |
| Running bamboo, nuisance crime 14-100 | 154 |
| Teacher mentors/reviewers, indemnification protections 14-230 (VETOED) | 125 |
| Uninsured/underinsured coverage offsets, changes 14-20 | 265 |

LIBRARIES

See Connecticut State Library

LICENSING

*See Drivers' Licenses; Occupational
Licensing*

LIFE INSURANCE

See Insurance

LIQUOR

See Alcoholic Beverages

LITIGATION

| | |
|--|-----|
| Fire loss recovery lawsuits, filing deadline 14-175 | 286 |
|--|-----|

LIVESTOCK

See Animals

LOANS

| | |
|---|-----|
| <i>See also Banks and Banking; Mortgages</i> | |
| Brownfield private development, DECD repayment delay/forgiveness 14-88 | 97 |
| Commercial Property Assessed Clean Energy program (PACE), microgrid inclusion 14-94 | 134 |

LONG-TERM CARE

| | |
|---|-----|
| Insurance policies, disclosure requirements expanded 14-8 | 264 |
| Insurance, rate increase phase-in/notification requirements 14-10 | 265 |
| Residential care home capital expenditures, DSS capitalization time limit 14-30 | 253 |

MAGNET SCHOOLS

| | |
|---|-----|
| Interdistrict, enhanced funding eligibility 14-217 | 7 |
| Student acceptance/wait list, parent notification to home district required 14-230 (VETOED) | 125 |

MANAGED CARE ORGANIZATIONS

| | |
|---|-----|
| Substance abuse/mental disorder data, reporting requirements 14-58 (VETOED) | 349 |
|---|-----|

MANUFACTURERS

| | |
|--|-----|
| BOR technology centers, expansion study 14-225 | 351 |
| Connecticut Manufacturing Innovation Fund, established 14-98 | 173 |
| Drug manufacturer payments/transfers to APRNs, reporting requirement 14-12 | 355 |
| Food manufacturing establishment licenses, modified 14-126 | 208 |
| Machinery, property tax exemption repeal, technical amendments 14-139 | 347 |

Manufacturing Assistance Act program,
bonds authorized
14-98 173

Manufacturing Reinvestment Account
program, eligible participants reduced/tax
exemption expanded
14-69 97

Mattress, stewardship program exemptions/
fee modifications
14-170 159

Property tax exemption, filing deadline
14-183 348

Subsidized Training and Employment
Program, apprentice grant program
14-38 101

Unused corporation business tax credits,
redemption allowed
14-2 169

MARRIAGE

Validating certain marriages
14-146 313

MASS TRANSIT

See also Buses

Drivers, certain arrests reported to DMV
14-130 402

**MATERIALS INNOVATION AND
RECYCLING AUTHORITY**

Established
14-94 134

MEDIA

Film industry workforce training program,
eliminated
14-42 338

MEDICAID

See also Health Insurance

Acquired brain injuries, second waiver
application authorized
14-150 63

Administrative service organizations,
intensive case management services
requirement
14-62 350

Benefits cards, primary care provider
inclusion
14-62 350

Brand-name drugs for medical assistance
recipients, "Medicaid" reference replaced
by "medical assistance"
14-158 256

Medical Assistance Program Oversight
Council, membership increased/
subcommittee created
14-206 261

Provider enrollment/reimbursement
modifications, emergency department
physicians
14-160 256

Providers/facilities, DSS auditing processes
changed
14-162 258

State plan inclusion, behavioral clinicians
14-217 7

MEDICAL CARE

*See also Diseases; Home Health Care;
Immunizations*

Alzheimer's/dementia training requirements,
established
14-194 60

Chronic disease plan, required
14-148 362

Epinephrine, school storage/nonmedical
staff administration
14-176 120

Hospital observation status, patient
notification requirements
14-180 368

Laboratory test results, patient direct care
access
14-231 372

Long-term care policies, disclosure
requirements expanded
14-8 264

Medicaid administrative service organizations,
intensive case management services
requirement
14-62 350

Medical orders for life-sustaining treatment,
pilot program amendments
14-231 372

Medical spas, procedure/practitioner
requirements
14-119 357

Opioid antagonist administration, immunity
14-61 304

Primary care provider patients, hepatitis C
testing requirement
14-203 369

MEDICAL PROFESSIONS

See Health Professions

MEDICAL RESEARCH

See also Stem Cell Research

| | | | |
|---|-----|--|-----|
| Bioscience Innovation Advisory Committee, modifications 14-60 | 172 | Pre-arraignment assessment/information sharing, required 14-138 | 360 |
| Stroke Study Task Force, created 14-214 | 370 | Private agencies, data collection requirement repealed 14-231 | 372 |
| MEDICARE | | MENTAL HEALTH FACILITIES | |
| <i>See also Health Insurance</i> | | Multi-care institutions, defined/services allowed/licensure 14-211 | 369 |
| Medicaid/Medicare dually eligible patient, administratively necessary hospital day payments 14-116 | 254 | MILITARY | |
| Supplement policies, issuance 14-105 | 59 | <i>See also Veterans</i> | |
| MEDICINE | | Occupational license requirements, qualified service member waivers 14-131 | 416 |
| <i>See Drugs and Medicine</i> | | MILK | |
| MENTAL HEALTH | | <i>See Dairies and Dairy Products</i> | |
| Behavioral health care information/referral services, OHA requirements 14-115 | 254 | MINIMUM WAGE | |
| Client services outside designated region, allowed 14-138 | 360 | Increased 14-1 | 337 |
| Juvenile mental health facility placements, hearing requirement eliminated 14-187 | 221 | MINORS | |
| Mental Health and Addiction Services Board, term limits eliminated 14-138 | 360 | <i>See Children and Minors</i> | |
| Permanent supportive housing initiative, eligibility expanded 14-46 | 252 | MORTGAGES | |
| Private agencies, data collection compliance required 14-138 | 360 | <i>See also Foreclosure</i> | |
| Private agencies, data collection requirement repealed 14-231 | 372 | Brokers/lenders, employer required credit checks allowed 14-109 | 340 |
| Professionals, civil action admissibility rules 14-37 | 303 | Lenders, licensing/bond requirements expanded 14-7 | 65 |
| MENTAL HEALTH AND ADDICTION SERVICES, DEPT. OF | | Mortgage servicing companies renamed "mortgage servicers" 14-89 | 71 |
| Client services outside designated region, allowed 14-138 | 360 | Nonprime loans, HUD single family exclusion 14-7 | 65 |
| Mental Health and Addiction Services Board, term limits eliminated 14-138 | 360 | Reverse Mortgage Industry Task Force, created 14-89 | 71 |
| Permanent supportive housing initiative, eligibility expanded 14-46 | 252 | Service companies, employee credit checks allowed 14-109 | 340 |
| | | MOTOR CARRIERS | |
| | | <i>See Trucks and Trucking</i> | |

MOTOR VEHICLE DEALERS AND REPAIRERS

DMV records request, timeframe modified
 14-130 402
 License issuance/renewal prohibition, sales tax delinquents
 14-130 402
 Storage charges, DMV limit allowed
 14-130 402

MOTOR VEHICLE INSURANCE

See also Insurance
 Motor vehicle accident arbitration procedure, bodily injury claims
 14-156 317
 Uninsured motorist coverage, denial limitations
 14-71 305
 Uninsured/underinsured coverage offsets, changes
 14-20 265

MOTOR VEHICLES

See also Buses; Drivers' Licenses; School Buses; Traffic Rules and Regulations; Trucks and Trucking
 Accident arbitration procedure, bodily injury claims
 14-156 317
 Interstate livery vehicle operators, background checks required
 14-199 407
 Safety standards, federal conformance
 14-187 221
 Sales invoice, guarantee term inclusion requirement
 14-187 221
 State fleet procurement, alternative fuel price preference
 14-136 143
 Stolen vehicle database entry, required
 14-130 402
 Storage charges, DMV limit allowed
 14-130 402
 Vulnerable public way user protections, fine established
 14-31 393

MOTOR VEHICLES, DEPT. OF

Administrative license suspensions, penalties modified
 14-228 328

Arrest record, public passenger license holders reporting requirement
 14-130402
 Dealer/repairer licensure renewal prohibition, sales tax delinquency
 14-130402
 Delinquent motor vehicle tax enforcement program, participation fee eliminated
 14-19343
 Driver license tests/examinations waiver, qualified military personnel/veterans
 14-131416
 Expedited licensing procedure, development allowed
 14-130402
 Garages, vehicle storage lien limits allowed
 14-130402
 Out-of-state DUI convictions, ignition interlock device requirements allowed
 14-228328
 School bus inspections/accident investigations, inspector assignment changes
 14-130402
 Uniform Certificate of Title for Vessels Act, enacted
 14-63393

MUNICIPAL OFFICERS AND EMPLOYEES

See also Firefighters and Fire Officials; Law Enforcement Officers; School Personnel
 Animal control, mandated animal abuse report circumstances broadened
 14-7087
 Assessor, Hartford residential property assessment ratio adjustment calculation changed
 14-174196
 Chief elected officials, oath administration authority
 14-146313
 Larceny involving defrauding a public community, accelerated rehabilitation prohibited
 14-233330
 Registrars of voters, polling place hours extension notification requirements
 14-188236
 Veterans' service contact person, designation requirement modified
 14-56415

MUNICIPALITIES

*See also Education Cost Sharing Grants;
Government Purchasing;
Municipal Officers and Employees;
Property Taxes; Schools and School
Districts; Special Districts*

| | |
|--|-----|
| Bazaars/raffles, permit/location modifications 14-24 | 385 |
| Bridgeport, Harbor Point taxing district, director terms staggered 14-102 | 346 |
| Bridgeport, Steel Point taxing district, director terms staggered 14-102 | 346 |
| Business property taxation, profit-based assessment pilot program established 14-174 | 196 |
| Chief elected official oath administrations, validation 14-146 | 313 |
| Circuit breaker credit limit, property value consideration 14-96 (VETOED) | 345 |
| Clean Water Fund phosphorus removal grants, eligibility expanded 14-13 | 147 |
| Commercial Property Assessed Clean Energy program (PACE), microgrid inclusion 14-94 | 134 |
| Consolidated dispatch services, governing board creation authorized 14-179 | 388 |
| Day care services, licensing exemption expanded 14-38 | 101 |
| Delinquent motor vehicle tax enforcement program, participation fee/reporting 14-19 | 343 |
| Distressed, Small Business Express Program matching grant waiver authorization 14-98 | 173 |
| Eminent domain authorization, Transfer Act exemption 14-88 | 97 |
| EMS plan, updates/primary service area responder removal 14-217 | 7 |
| Farm wineries, off-site sales/tasting permit created 14-189 | 210 |
| Hartford homeownership incentive program, authorized 14-174 | 196 |

| | |
|--|-----|
| Health department/district funding, basic health program requirement 14-226 | 371 |
| Historic agricultural structure preservation program, establishment authorized 14-101 | 346 |
| Liquor permit renewal ordinances, written notice requirements 14-48 | 202 |
| Local fire investigator/inspector appointments, appointment process modified 14-137 | 387 |
| Manufacturing/machinery property tax exemption, retroactive authority 14-183 | 348 |
| Neighborhood Assistance Act, annual tax credit cap increased 14-171 (VETOED) | 100 |
| Neighborhood Assistance Act tax credit eligibility, college loan forgiveness program investments 14-227 | 199 |
| Police Officer Standards and Training Council certification, cost reimbursement requirement 14-218 (VETOED) | 389 |
| Property, scrap metal processor transaction authorization 14-83 | 345 |
| Retail development project assessments, options expanded 14-174 | 196 |
| Revaluation delay, authorized 14-19 | 343 |
| Seed laws/ordinances, superseded by state seed law 14-223 | 165 |
| Sewer system benefit assessment appeals, hearing authorization 14-183 | 348 |
| Sex offender release, notification required 14-192 | 321 |
| Solid waste management plan revision, DEEP consultation 14-94 | 134 |
| Telecommunications tower/antenna inventory, reporting requirement repealed 14-19 | 343 |
| Thomaston, enterprise zone area designation 14-217 | 7 |
| Wallingford, enterprise zone area designation 14-217 | 7 |

| | | | |
|--|-----|---|-----|
| Waterbury, public housing disposal exemption expanded to William V. Begg Apartments 14-49 | 252 | Small house nursing home pilot program, expanded 14-95 | 59 |
| NATIONAL GUARD <i>See Military</i> | | NUTRITION | |
| NATURAL GAS <i>See Oil and Gas</i> | | Elderly nutrition service stakeholders, DSS/Aging Dept. quarterly meeting requirement 14-73 | 59 |
| NONPROFIT ORGANIZATIONS <i>See also Charitable Organizations</i> | | Schools, certain nutritional drink standards changed 14-230 (VETOED)..... | 125 |
| Charitable Funds Act violations, compliance assurance expanded 14-127 | 208 | OATHS | |
| Golf tournaments, liquor permits allowed 14-32 | 201 | Judicial Branch employees, administration authority 14-207 | 323 |
| Medical foundations, formation/requirements 14-168 | 364 | Municipal chief elected officials, oath administration authority 14-146 | 313 |
| Mortgage loan originator sponsors, bond requirement created 14-7 | 65 | OCCUPATIONAL LICENSING <i>See also Boards and Commissions; Health Professions; Pharmacies and Pharmacists; School Personnel; Security Personnel; specific occupations</i> | |
| Temporary liquor permits, multiple event application modified 14-111 | 207 | APRNs, continuing education 14-12 | 355 |
| NURSES AND NURSING <i>See also Health Professions</i> | | Bulk water haulers, license requirement 14-178 | 368 |
| APRNs, independent practice/prescriptive authority/continuing education 14-12 | 355 | Certain DPH licensed occupations, changes 14-231 | 372 |
| Medical spa service providers, training/experience requirements 14-119 | 357 | Coach permit revocation, sudden cardiac arrest awareness education program review violations 14-93 | 90 |
| School, childhood immunization registry access 14-231 | 372 | Coaches, concussion training/refresher modifications 14-66 | 85 |
| NURSING HOMES <i>See also Long-Term Care</i> | | Collection agencies, DOB license suspension authority 14-89 | 71 |
| Cost reports, requirements expanded 14-55 | 253 | Connecticut Airport Authority, employees exemption 14-199 | 407 |
| Electronic signatures/patient physicals, requirements 14-231 | 372 | Crane/hoisting equipment operators, exemption change effective date delayed 14-29 | 386 |
| Medicaid providers/facilities, DSS auditing processes changed 14-162 | 258 | Debt negotiators/mortgage loan originators, requirements expanded 14-7 | 65 |
| Nursing Home Finance Advisory Committee, modifications 14-55 | 253 | Enforcement laws, DCP modifications 14-210 | 212 |

| | | | |
|--|-----|---|-----|
| Hunting/fishing guides, annual registration required 14-201 | 162 | Heating fuel dealer tax delinquencies, DCP notification requirement 14-51 | 203 |
| License denials/revocation, DRS enforcement action list authorized 14-155 | 190 | Heating fuel delivery surcharge, threshold lowered 14-51 | 203 |
| Lifeguards, CPR certifications increased 14-36 | 387 | Heating fuel prepaid guaranteed price plans, restricted timeframe/disclosure 14-51 | 203 |
| Military personnel/veterans, certain license requirements waived 14-131 | 416 | Lost and unaccounted for gas, PURA report/investigation requirements 14-152 | 145 |
| Mortgage lenders/brokers, requirements expanded 14-7 | 65 | Petroleum products gross earnings tax, interstate commerce vessels 14-222 | 410 |
| Mortgage loan originators, attorney exemption narrowed 14-89 | 71 | OPEN SPACE Conservation/preservation restrictions, DEEP/DoAg property authorization 14-169 | 158 |
| Nationwide Mortgage Licensing System and Registry, DOB use authority/procedures established 14-89 | 71 | PARDONS AND PAROLE <i>See also Probation</i> Board, certificate of rehabilitation issuance/reporting responsibilities 14-27 | 301 |
| Offender certificate of suitability for licensure, created 14-27 | 301 | Certificate of rehabilitation, created 14-27 | 301 |
| Paramedic intercept services/EMS staffing agencies, licensure/certification 14-231 | 372 | Paroled children, DCF placement 14-187 | 221 |
| Portable electronics insurance agents, requirements 14-64 | 266 | PARKS AND FORESTS Heritage parks, DEEP designation/alteration authority modified 14-43 | 147 |
| Real estate appraisers, modifications 14-52 | 204 | PA 490 program, procedural changes 14-33 | 344 |
| Sterile compounding, manufacturing registration certificate requirement 14-224 | 213 | PAROLE <i>See Pardons and Parole</i> | |
| Swimming pool/spa contractors, activities expanded 14-50 | 202 | PATERNITY Establishment/inheritance rights, child born out of wedlock 14-104 | 308 |
| Various mortgage occupations, licensure requirements changed 14-89 | 71 | Voluntary acknowledgment process, adult children 14-231 | 372 |
| OFFICE OF POLICY AND MANAGEMENT <i>See Policy and Management, Office of</i> | | PATIENT'S RIGHTS Hospital observation status, patient notification requirements 14-180 | 368 |
| OIL AND GAS <i>See also Gasoline Stations; Taxation</i> Fracking waste storage/disposal, moratorium established 14-200 | 160 | | |
| Gas company infrastructure off-set, revenue use modified 14-94 | 134 | | |

Laboratory test results, patient direct access
 14-231 372

Mental health services outside designated service region, allowed
 14-138 360

Outpatient service facility fees, patient notification requirement
 14-145 209

Pharmacy rewards program, plain-language summary/protected health information disclosure
 14-197 211

PHARMACIES AND PHARMACISTS
See also Drugs and Medicine

Brand name drug dispensing, procedures changed
 14-224 213

Mail order, individual health insurance policy mandate prohibition expanded
 14-118 273

Medical assistance programs, brand-name drug prescription procedure modified
 14-158 256

Nonresident pharmacies, information submission to DCP
 14-224 213

Nonresident pharmacy registration, Pharmacy Commission considerations
 14-224 213

Pharmacy audits, confidentiality/procedure
 14-193 287

Pharmacy benefits manager claims payment, electronic funds transfer requirement
 14-193 287

Rewards programs, plain-language summary/protected health information disclosure
 14-197 211

Sterile compounding, DCP oversight expanded
 14-224 213

PHYSICIANS

Brand name drugs, prescription procedures changed
 14-224 213

Emergency department, Medicaid provider enrollment/reimbursement modifications
 14-160 256

Medical spa service providers, training/experience requirements
 14-119 357

PLANNING AND ZONING

See Property and Real Estate

PLANTS

Industrial hemp legalization, feasibility study
 14-191211

Running bamboo, planting modifications/nuisance crime
 14-100154

POLICE

See Law Enforcement Officers; State Marshals

POLICY AND MANAGEMENT,

OFFICE OF

Connecticut Employment and Training Commission placement program, annual report required
 14-42338

Municipal profit-based tax assessments, pilot program established
 14-174196

Rental rebate program, administrative duties transferred from DOH
 14-2177

State water plan consultants, MOU responsibilities
 14-163155

POLLUTION

See Air Pollution; Water Pollution

POPULAR NAMES

Aerospace Reinvestment Act
 14-2169

Erin's Law, statewide sexual abuse/awareness program
 14-19696

"Knock out game," 2nd degree assault designation/accelerated rehabilitation ineligibility
 14-220390

Pet lemon law, veterinary expense reimbursement increased
 14-77151

PORTS

Connecticut Port Authority, established
 14-222410

Connecticut Port Authority Working Group, established
 14-222410

PRESCRIPTION MEDICINES*See Drugs and Medicine***PRIVACY***See Confidentiality***PRIVATIZATION**

Contracts, state agency service delivery cost-effectiveness evaluation
 14-188 236

PROBATE COURTS*See also Estates And Trusts*

Budget committee annual reporting requirement repealed
 14-103 306

Conservator jurisdiction transfer, approval determination
 14-103 306

Conservator succession designation authorized
 14-103 306

Conservatorship hearings for intellectually disabled, psychological evidence allowed
 14-121 312

Disposition of a deceased person's body, conservator duty changes
 14-204 322

Fees, credit card payments
 14-103 306

Grandparents and Relatives Respite Fund, administrator responsibility
 14-103 306

Juvenile records, access/disclosure
 14-104 308
 14-173 318

Kinship Fund, administrator responsibility
 14-103 306

Special Immigration Juvenile Status findings, authorization
 14-104 308

Truancy clinic, New Haven establishment
 14-103 306

PROBATION

Alternative sentencing/community release plans, access expanded
 14-173 318

Chief probation officers, oath administration authorization
 14-207 323

Officers, personal information FOI exemption
 14-34 219

Officers, violation of probation warrant service responsibilities
 14-233 330

PROCLAMATIONS*See Holidays and Proclamations***PROPERTY AND REAL ESTATE***See also Brownfields; Common Interest Communities; Farms and Farmers; Open Space; Parks and Forests; State Property*

Carbon monoxide/smoke detector affidavits, requirements amended
 14-219 389

Condominium sales, resale certificate requirements
 14-215 326

Contaminated property remediation, compliance options
 14-88 97

Contaminated property, Transfer Act provision applicability
 14-88 97

Conveyance tax exemption, "foreclosure by market sale" proceedings
 14-84 68

Easement/right-of-way maintenance, owner responsibilities
 14-67 304

Historic agricultural structure preservation program, municipal establishment authorized
 14-101 346

Landowner liability protections, maple-sugaring activities
 14-18 301

Owner liability, fallen tree/limb
 14-125 (VETOED) 313

Owners, utility vegetation management dispute modifications
 14-151 143

Real estate appraiser schools, CREAC registration/DCP course approval requirements
 14-52 204

PROPERTY TAXES

Circuit breaker credit limit, property value consideration
 14-96 (VETOED) 345

Delinquent motor vehicle tax enforcement program, participation fee/reporting
 14-19 343

| | | | |
|---|-----|---|-----|
| Delinquent taxpayers, motor vehicle dealer/repairer license renewal prohibitions 14-130 | 402 | Bulk water haulers, licensing/regulation 14-178 | 368 |
| Farm exemption applications, certain deadlines extended 14-33 | 344 | Certain early childhood programs, transferred to Office of Early Childhood 14-39 | 102 |
| Farm machinery exemption, expanded 14-33 | 344 | Childhood immunization registry, school nurse access 14-231 | 372 |
| Hartford owner-occupied homes in specific areas, property abatement required 14-174 | 196 | Chronic disease plan, required 14-148 | 362 |
| Historical agricultural structure incentive program, municipal establishment authorized 14-101 | 346 | Contracts with other states, authorization 14-231 | 372 |
| Horse/pony exemption allowed 14-33 | 344 | Drinking water projects grant program, established/bonds authorized 14-98 | 173 |
| Manufacturing/machinery equipment exemption, filing deadline 14-183 | 348 | Emergency summary orders, issuance authority extended 14-231 | 372 |
| Municipal profit-based tax assessments, pilot program established 14-174 | 196 | Employees, mandated abuse reporter designation 14-39 | 102 |
| PA 490 program, procedural changes 14-33 | 344 | EMT certification waiver, qualified military personnel/veterans 14-131 | 416 |
| Property held in trust, tax relief eligibility for certain occupants 14-124 | 347 | EMT certification waiver, qualified military personnel/veterans, technical correction 14-141 | 419 |
| Retail development project assessments, municipal options expanded 14-174 | 196 | Environmental laboratory violations, civil penalty imposition authority 14-231 | 372 |
| Revaluation delay, municipal authorization 14-19 | 343 | Health care institutions, licensure requirements 14-211 | 369 |
| Solar thermal/geothermal energy systems, exemptions limited 14-94 | 134 | Health Equity Office, named 14-231 | 372 |
| PSYCHOLOGISTS AND PSYCHIATRISTS | | Healthcare associated infections report, scope expanded/website posting requirement 14-214 | 370 |
| Conservator hearings for intellectually disabled, psychological evidence allowed 14-121 | 312 | Hospital conversion application, consideration factors 14-168 | 364 |
| Mental health professionals, civil action admissibility rules 14-37 | 303 | Lifeguards, CPR certifications increased 14-36 | 387 |
| Psychologists, continuing education requirements established 14-231 | 372 | Medical orders for life-sustaining treatment, pilot program amendments 14-231 | 372 |
| PUBLIC HEALTH, DEPT. OF | | Multi-care institutions, licensure/regulations 14-211 | 369 |
| <i>See also Health Care Access, Office of</i> | | Multicultural Health Office, renamed Health Equity Office 14-231 | 372 |
| Adoptions, original birth certificate access modifications 14-133 | 358 | Municipal health department/district funding, basic health program requirement 14-226 | 371 |

- Public drinking water supply emergency, declaration authority
14-163 155
- Regulatory requirements, waiver authority increased
14-231 372
- Stem Cell Research Fund, responsibilities transferred to CII
14-98 173
- Student allergic reaction emergency first aid, training program development
14-176 120
- Water activities general permit, study required
14-163 155
- Water company land sales, permit authority
14-231 372
- Water professionals licensing, study required
14-163 155
- PUBLIC UTILITIES**
See Utilities
- PUBLIC UTILITIES REGULATORY AUTHORITY**
- Electric customer bill format redesign, requirement modified
14-94 134
- Electric customer bill format/account summary webpage, redesign required
14-75 131
- Electric supplier/company vulnerable customers, study requirement
14-75 131
- Lost and unaccounted for gas, report/investigation requirements
14-152 145
- Project 150 projects' in-service deadline, maximum extension increased
14-94 134
- Vegetation management dispute mediation, study
14-151 143
- Water company system extension to deficient wells, authority
14-94 134
- PUBLIC WORKS**
See also Contracts and Contractors; Government Purchasing
- Certain project status reports, DAS responsibility
14-202 240
- Competitive bidding process threshold, increased
14-188 236
- Construction manager at risk projects, DAS changes
14-188 236
- QUASI-PUBLIC AGENCIES**
- Clean Energy Finance and Investment Authority, renamed Green Bank
14-94 134
- Connecticut Port Authority, established
14-222 410
- Connecticut Student Loan Foundation, reconstitution under CHEFA
14-217 7
- Employee larceny involving defrauding a public community, accelerated rehabilitation prohibited
14-233 330
- State Education Resource Center, reconstituted
14-212 121
- RAILROADS**
- At-grade crossings, wayside horns allowed
14-199 407
- East Hartford/Waterbury at-grade crossings, construction allowed
14-199 407
- REAL ESTATE CONVEYANCE TAX**
See Property and Real Estate
- RECORDS AND RECORDKEEPING**
See also Birth Certificates; Freedom of Information
- Arrestees, DMHAS data sharing requirement
14-138 360
- Court file sealing requirement, accelerated rehabilitation/dependency treatment applicants
14-233 330
- Criminal, family violence designated crimes increased
14-234 334
- DCF, child supervision/treatment needs, CSSD access/disclosure
14-173 318
- DCF/DSS, disclosure circumstances expanded
14-186 92

Interstate livery vehicle operators,
background checks required
14-199 407

Juvenile court records, probate court
access/disclosure
14-104 308
14-173 318

Mental health/out-of-state professionals/
social worker records, civil action
admissibility rules
14-37 303

Motor vehicle dealers/repairers, DMV request
timeframe modified
14-130 402

Out-of-state corporations/businesses,
records/data warrants authorized
14-233 330

Prevailing wage payroll, electronic
submission/preservation allowed
14-44 339

Student expulsions, school board expulsion
expungement/modification authority
14-229 125

Whistleblower investigations, DRS disclosures
to Auditors of Public Accounts allowed
14-227 199

RECREATION
See Sports and Recreation

REGIONAL PLANNING

Agencies elimination, conforming changes
14-139 347

Consolidated dispatch services, governing
board creation authorized
14-179 388

Medicaid administrative service
organizations, intensive care management
teams created
14-62 350

State agency growth-related projects,
threshold raised
14-139 347

REHABILITATION SERVICES,
DEPT. OF
Gift/bequest acceptance allowed
14-188 236

RESEARCH AND DEVELOPMENT
*See also Medical Research; Stem Cell
Research*

Fracking waste moratorium, research
exemption
14-200 160

RESOURCES RECOVERY
See Solid Waste Management

RESTAURANTS AND CAFÉS
See also Business

Cafe permittees, alcohol service
prohibition specified
14-181 320

Juice bar events, police notification
procedures
14-181 320

RETAIL TRADE
See also Business

Children's jewelry, cadmium ban delayed
14-140 92

Clothing/footwear exemption, delayed
14-47 1

De-icing/dust suppression products derived
from fracking waste, moratorium
14-200 160

E-cigarettes, sale to minors prohibited/
penalties established
14-76 88

Farm wineries, off-site sales/tasting permit
created
14-189 210

Gasoline dealer price posting requirements,
DCP regulations codified
14-16 201

Genetically modified foods, "natural"
labeling requirement delayed
14-17 357

Heating fuel prepaid guaranteed price plans,
restricted timeframe/disclosure
14-51 203

Improperly packaged cigarette sales, fines
14-76 88

Internet sweepstakes cafe operation
prohibition, grocery store exemption
14-217 7

Mattress stewardship program, exemptions/
fee modifications
14-170 159

Motor vehicle sales invoice, guarantee
term inclusion requirement
14-187 221

Package stores, gift basket sales allowed
14-22 201

Pet lemon law, veterinary expense
reimbursement increased
14-77 151

Pet shops, breeder limitations/USDA
inspection reports
14-77 151

| | | | |
|--|-----|---|-----|
| Pharmacy rewards program, plain-language summary/protected health information disclosure 14-197 | 211 | SALES AND USE TAXES | |
| Portable electronics insurance, agent licensing/regulatory requirements 14-64 | 266 | Clothing/footwear exemption, delayed 14-47 | 1 |
| Retail development project assessment fixing, municipal options expanded 14-174 | 196 | Nonprescription drugs, sales/use tax exemption 14-47 | 1 |
| Retailer monthly sales tax filings, submission modifications 14-155 | 190 | Retailer monthly filings, submission modifications 14-155 | 190 |
| Seed law, modifications 14-223 | 165 | SCHOOL BOARDS | |
| Unsolicited commercial text messages/robocalls, prohibited 14-53 | 206 | <i>See Education, Boards of</i> | |
| RETIREMENT AND PENSIONS | | SCHOOL BUSES | |
| Connecticut Retirement Security, created 14-217 | 7 | Inspectors, DMV assignment changes 14-130 | 402 |
| Judges/family support magistrates/compensation commissioners, retirement salary reduced 14-217 | 7 | Special needs, Merritt/Wilbur Cross parkways authorization 14-199 | 407 |
| Publicly administered retirement savings plan, feasibility study required 14-217 | 7 | SCHOOL CONSTRUCTION | |
| Teacher pensions, income tax exemption 14-47 | 1 | Grant commitments, authorization/reauthorization 14-90 | 113 |
| REVENUE SERVICES, DEPT. OF | | Projects, security assessment requirements 14-90 | 113 |
| Delinquent taxpayer list, changes/financial institution disclosure 14-155 | 190 | School Building Projects Advisory Council, membership 14-217 | 7 |
| Employees, fingerprinting/background check requirement 14-155 | 190 | School Safety Infrastructure Council, membership increased 14-90 | 113 |
| Heating fuel dealer tax delinquencies, notification of DCP required 14-51 | 203 | SCHOOL PERSONNEL | |
| License denial/revocation, public enforcement action list authorized 14-155 | 190 | <i>See also Schools and School Districts; Teachers</i> | |
| Motor vehicle fuels tax calculation, information disclosure 14-155 | 190 | Abuse/neglect suspects, suspension requirements modified 14-186 | 92 |
| Whistleblower investigations, disclosures to Auditors of Public Accounts 14-227 | 199 | Administrators, alternative route to certification considerations added 14-230 (VETOED) | 125 |
| ROADS | | Administrators, alternative route to certification technical correction 14-113 | 120 |
| <i>See Highways and Roads</i> | | Coach permit revocation, sudden cardiac arrest awareness education program review violations 14-93 | 90 |
| | | Coaches, concussion training/refresher modifications 14-66 | 85 |
| | | Epinephrine administration, training requirements 14-176 | 120 |

Nurses, childhood immunization registry
 access
 14-231 372

Paraprofessionals, SDE professional
 development responsibilities
 14-212 121

Professional development/evaluation
 committee, teacher/administrator union
 representation
 14-230 (VETOED)..... 125

School Administrators Advisory Council,
 terms extended
 14-230 (VETOED)..... 125

School readiness program staff,
 qualifications
 14-39 102

Security, armed personnel requirements
 expanded
 14-212 121

SCHOOL TRANSPORTATION

See School Buses

SCHOOLS AND SCHOOL DISTRICTS

*See also Education; Magnet Schools;
 School Buses; School Construction;
 School Personnel; Students; Teachers*

Active-duty military dependents, excused
 absences increased
 14-198 420

Alliance districts, social/emotional
 well-being strategy grants
 14-172 260

Boards, sexual abuse and assault awareness
 program implementation requirement
 14-196 96

Bullying, school meeting requirements
 14-172 260

Concussion education plan/informed consent
 requirements, modified
 14-66 85

Connecticut Smart Start grant program, bonds
 authorized
 14-98 173

Connecticut Smart Start competitive grant
 preschool program, design/administration
 14-41 111

Connecticut Technical High School System,
 student employment information reporting
 modifications
 14-59 350

Educational status report requirement,
 children in DCF custody
 14-99 91

Employee abuse/neglect suspects, suspension
 procedures changed
 14-18692

Epinephrine, storage/nonmedical staff
 administration
 14-176120

Expulsion records, school board
 expungement modification authority
 14-229125

Graduation requirements, substitute exam
 use allowed
 14-230 (VETOED).....125

Nutritional drink standards, modified
 14-230 (VETOED).....125

Preschool special education, kindergarten
 delay option notification requirement
 14-39102

Professional development/evaluation
 committee, teacher/administrator union
 representation
 14-230 (VETOED).....125

Safe school climate plan, review/approval
 procedures
 14-232129

School Safety Infrastructure Council,
 membership increased
 14-90113

Security grant program, expanded/bonds
 authorized
 14-98173

Sex offender address change, school
 superintendent notification required
 14-213326

Sheff settlement, Phase III stipulation
 compliance
 14-2177

"Special Master" changed to "district
 improvement officer"
 14-230 (VETOED).....125

Superintendent annual teacher evaluation
 status reports, due date modified
 14-230 (VETOED).....125

Teen dating violence, safe school climate
 plan inclusion
 14-234334

Truancy clinic, New Haven children's
 regional probate court authorization
 14-103306

Unified School District #3, establishment
 repealed
 14-231372

Uniform regional school calendar,
 adoption/implementation delays allowed
 14-38101

- Vision/hearing/postural screenings,
requirements reduced
14-230 (VETOED) 125
- Vocational agricultural center equipment/
facility exclusive use requirement
14-230 (VETOED) 125
- SCIENCE AND TECHNOLOGY**
Manufacturing/machinery property tax
exemption, filing deadline
14-183 348
- SECRETARY OF STATE**
Business annual report filing violations,
penalty/procedures established
14-154 314
- SECURITY PERSONNEL**
See also Occupational Licensing
School, armed personnel requirements
expanded
14-212 121
Security guard training waiver, qualified
military personnel/veterans
14-131 416
- SENTENCING**
See also Criminal Procedure
Accelerated rehabilitation, public official
prohibitions in certain fraud cases
14-233 330
Accelerated rehabilitation, second-time
eligibility extended to non-veterans
14-233 330
Commission, certificate of rehabilitation
responsibilities
14-27 301
Sexual assault of spouse/cohabitor,
mandatory minimum sentence
14-234 334
- SERVICE OF PROCESS**
See Civil Procedure
- SEWERS AND SEWAGE**
See also Solid Waste Management
Sewer benefit assessment appeals, hearing
authorization
14-183 348
- SEX CRIMES**
Civil protection orders, created
14-217 7
Higher education institutions, sexual
assault/intimate partner violence policies
expanded
14-11 243
Offenders, forfeiture of property/funds
modified
14-233 330
Sex offender address change, school
superintendent notification required
14-213 326
Sex offender release, municipal notification
required
14-192 321
14-213 326
Sexual assault of spouse/cohabitor,
mandatory minimum sentence
14-234 334
- SEXUAL ASSAULT**
Sexual abuse and assault awareness program,
school board implementation requirement
14-196 96
- SMALL BUSINESS**
See also Business
Small Business Express Program matching
grant, distressed municipalities waiver
14-98 173
Subsidized Training and Employment
Program, apprentice grant program
14-38 101
- SMOKING**
See Tobacco Products
- SOCIAL SERVICES**
Benefit corporation (B-corp) formation,
framework established
14-217 7
- SOCIAL SERVICES, DEPT. OF**
Acquired brain injuries, second Medicaid
waiver application authorized
14-150 63
Administrative appeal hearings, procedures
changed
14-209 (VETOED) 261
Annual cost report submission violation,
retroactive rate increase withholding
authorized
14-164 259

| | | | |
|---|-----|--|-----|
| Brand-name drugs for medical assistance recipients, modified/"Medicaid" reference replaced by "medical assistance" 14-158 | 256 | Public assistance recipient employment information, record sharing requirements modified 14-42 | 338 |
| Certain behavioral clinicians, Medicaid state plan inclusion 14-217 | 7 | Records sharing/disclosure, circumstances expanded 14-186 | 92 |
| Certain early childhood programs, transferred to Office of Early Childhood 14-39 | 102 | Regulation adoption procedure, current practice conformance 14-116 | 254 |
| Community services policy manual, eliminated/Aging Dept. regulations required 14-187 | 221 | Residential care facilities, direct payments/residents' personal funds 14-164 | 259 |
| Delinquent child support obligors list, website posting requirement 14-177 | 319 | Residential care home capital expenditures, DSS capitalization time limit 14-30 | 253 |
| Dually eligible patients' administratively necessary hospital days, payment authority 14-116 | 254 | Residential care home capital improvements, rate increases 14-164 | 259 |
| Elderly protective service program employees, Alzheimer's/dementia training requirements 14-194 | 60 | SAGA program/benefits, changes 14-161 | 257 |
| Emergency department physicians, Medicaid provider enrollment/reimbursement modifications 14-160 | 256 | Small house nursing home pilot program, expanded 14-95 | 59 |
| Gift/donation acceptance, authority eliminated 14-39 | 102 | TFA recipient employability plan, educational courses permitted 14-172 | 260 |
| Grandparents and Relatives Respite Fund, responsibility transferred 14-103 | 306 | | |
| Kinship Fund, responsibility transferred 14-103 | 306 | SOCIAL WORKERS | |
| Long-term facility/CHCPE home-care, cost cap modifications 14-142 | 255 | Records, civil action admissibility rules 14-37 | 303 |
| Medicaid client primary care provider visit, feasibility report 14-62 | 350 | | |
| Medicaid provider/facilities, auditing process modifications/training/reporting requirements 14-162 | 258 | SOLID WASTE MANAGEMENT | |
| Medical assistance program coverage expanded, certain over-the-counter drugs 14-157 | 255 | <i>See also Sewers and Sewage</i> | |
| Nursing home cost reports, requirements expanded 14-55 | 253 | Connecticut Resources Recovery Authority, dissolved 14-94 | 134 |
| Nutrition service stakeholders, quarterly meetings required 14-73 | 59 | Materials Innovation and Recycling Authority (MIRA), established 14-94 | 134 |
| | | Mattress stewardship program, exemptions/fee modifications 14-170 | 159 |
| | | Scrap metal processors, municipal property handling requirements/violation penalties 14-83 | 345 |
| | | Solid waste management plan, DEEP revision required 14-94 | 134 |
| | | | |
| | | SPECIAL DISTRICTS | |
| | | Harbor Point taxing district, director terms staggered 14-102 | 346 |

| | | | |
|--|-----|---|-----|
| Steel Point taxing district, director terms staggered 14-102 | 346 | Early Childhood Office, established 14-39 | 102 |
| SPECIAL EDUCATION | | Military personnel/veteran licensing/certification/college credit requirements, modifications 14-65 | 247 |
| Dyslexia, IEP program form addition required 14-39 | 102 | Military personnel/veteran licensing/certification/college credits, reporting requirement 14-131 | 416 |
| Preschool, notification of kindergarten delay option 14-39 | 102 | Privatization contract service delivery cost-effectiveness evaluation 14-188 | 236 |
| Special education administrative cases pilot program, court authorization eliminated 14-207 | 323 | Public works project status reports, DAS responsibilities 14-202 | 240 |
| SPORTS AND RECREATION | | Regulations, certain regulations/adoption requirements eliminated 14-187 | 221 |
| Concussion, coach training/player removal requirement modifications 14-66 | 85 | Uniform Administrative Procedure Act, modifications 14-187 | 221 |
| Electric submetering entities, electric company exemption 14-134 | 142 | STATE AID | |
| Golf tournament, nonprofit organization liquor permits allowed 14-32 | 201 | <i>See also Education Cost Sharing Grants; School Construction; State Funds</i> | |
| Hunting/trapping/archery safety courses, instruction/fee requirements 14-201 | 162 | Alliance school districts, social/emotional well-being strategy grants 14-172 | 260 |
| "Lands of public use and benefit," DEEP property designation authorized/registry requirement 14-169 | 158 | Children of Incarcerated Parents grant, transferred 14-227 | 199 |
| Passenger tramway/ski area safety checks, expanded 14-72 | 387 | Connecticut Smart Start grant program, bonds authorized 14-98 | 173 |
| Sudden cardiac arrest awareness, program/informed consent 14-93 | 90 | Connecticut Smart Start competitive grant preschool program, design/administration 14-41 | 111 |
| Water activities, DPH general permit feasibility study 14-163 | 155 | Drinking water projects, grant program established/bonds authorized 14-98 | 173 |
| Youth camp directors/coaches, mandated reporter inclusion 14-186 | 92 | False Claims Act, scope expanded 14-217 | 7 |
| STATE AGENCIES | | Growth-related projects, priority funding area restrictions 14-139 | 347 |
| <i>See also State Funds; State Officers and Employees; specific state agencies</i> | | Municipal health department/district funding, basic health program requirement 14-226 | 371 |
| Capital plans, growth-related project threshold raised 14-139 | 347 | School readiness program funding, changes 14-39 | 102 |
| Child Poverty and Prevention Council member agencies, reporting requirements expanded 14-132 | 255 | Security grant program, expanded/bonds authorized 14-98 | 173 |

| | | | |
|---|-----|---|-----|
| Small Business Express Program matching grant requirements, distressed municipalities waiver 14-98 | 173 | Drinking Water State Revolving, grant program established/bonds authorized 14-98 | 173 |
| Summer learning program grants, SDE administration 14-230 (VETOED) | 125 | Grandparents and Relatives Respite, probate court administrator responsibility 14-103 | 306 |
| STATE BUDGET | | Kinship, probate court administrator responsibility 14-103 | 306 |
| Adjustments, FY15 14-217 | 7 | Manufacturing Reinvestment Account program, eligible participants reduced/tax exemption expanded 14-69 | 97 |
| Appropriations/revenue estimates, FY15 modifications 14-47 | 1 | New Home Construction Guaranty Fund payments, applicant affirmation required 14-127 | 208 |
| Debt instrument legislation, State Treasurer notification requirement 14-81 | 173 | Stadium Facility Enterprise, Auditors of Public Accounts biennial compliance audits required 14-227 | 199 |
| Implementation, FY15 14-217 | 7 | Stem Cell Research, scope broadened/bonds authorized 14-98 | 173 |
| STATE BUILDINGS | | Tobacco and Health Trust, annual disbursement increase allowed 14-76 | 88 |
| <i>See also Buildings and Building Codes</i> | | Tobacco settlement, Nonparticipating Manufacturer Adjustment Settlement Agreement implementation 14-155 | 190 |
| Energy efficiency compliance standards, DAS regulations 14-94 | 134 | | |
| Leadership in Energy and Environmental Design standards, certain state facilities exempted 14-199 | 407 | | |
| STATE FUNDS | | STATE LIBRARY | |
| <i>See also State Aid; State Budget</i> | | Board, chief justice designee modified 14-207 | 323 |
| Animal abuse cost recovery account, uses expanded 14-205 | 163 | STATE MARSHALS | |
| Animal population control account, uses expanded 14-205 | 163 | Criminal impersonation crime, assuming identity of state marshal included 14-86 | 305 |
| Baby Connecticut Higher Education Trust Scholars Fund account, established 14-217 | 7 | Service of process, maximum hourly rate increased 14-87 | 305 |
| Clean Water Fund phosphorus removal grants, municipal eligibility expanded 14-13 | 147 | State Marshal Commission, member qualifications modified 14-207 | 323 |
| Community investment accounts, funds transferred to Housing Dept. 14-45 | 251 | STATE OFFICERS AND EMPLOYEES | |
| Connecticut Manufacturing Innovation, established 14-98 | 173 | <i>See also Connecticut Airport Authority; General Assembly; Judicial Branch; specific state agency or office</i> | |
| DDS residential facility revolving loan, administration MOU allowed 14-231 | 372 | Larceny involving defrauding a public community, accelerated rehabilitation prohibited 14-233 | 330 |

STATE PARKS AND FORESTS*See Parks and Forests***STATE POLICE***See Law Enforcement Officers***STATE PROPERTY***See also Property and Real Estate;
State Buildings*

| | |
|---|-----|
| Clean-up cost liability modifications, human bodily effects 14-153 | 155 |
| DAS acquisition authority, donations/exchanges/gifts allowed 14-112 | 220 |
| DECD surplus property, OPM notification 14-129 | 99 |
| DEEP/DoAg property, conservation/ preservation restrictions authorized 14-169 | 158 |
| "Lands of public use and benefit," DEEP property designation authorized/ registry requirement 14-169 | 158 |
| Savin Farm, conservation/preservation restrictions authorized 14-80 | 153 |

STATE PURCHASING*See Government Purchasing***STATE TREASURER**

| | |
|---|-----|
| Baby Connecticut Higher Education Trust Scholars Fund account, established 14-217 | 7 |
| Debt instrument legislation, notification requirement 14-81 | 173 |

STATUTE OF LIMITATIONS

| | |
|---|-----|
| Vehicular homicide/evading responsibility violations, eliminated 14-185 | 321 |
|---|-----|

STATUTES*See also Uniform and Model Laws*

| | |
|---|-----|
| Education, minor revisions 14-230 (VETOED) | 125 |
| Energy/public utilities, technical changes 14-134 | 142 |
| Government administration and elections, technical revisions 14-182 | 221 |

| | |
|--|-----|
| Revisor's technical corrections 14-122 | 313 |
| Taxation, technical/minor changes 14-60 | 172 |

STEM CELL RESEARCH

| | |
|---|-----|
| Stem Cell Research Fund, scope broadened/bonds authorized 14-98 | 173 |
|---|-----|

STUDENTS

| | |
|---|-----|
| Active-duty military dependents, excused absences increased 14-198 | 420 |
| Bullying, school meeting requirements 14-172 | 260 |
| College, meningitis vaccination requirement 14-231 | 372 |
| Connecticut Technical High School System, employment information reporting modifications 14-59 | 350 |
| English Language Learner education incentive program, eligibility expanded to undergraduates 14-21 | 246 |
| Expulsions, school board record modification/expungement authority 14-229 | 125 |
| "Go Back to Get Ahead," higher education program established 14-217 | 7 |
| Interdistrict magnet school acceptance, home district notification requirement 14-230 (VETOED) | 125 |
| Sudden cardiac arrest awareness, athlete parent written consent 14-93 | 90 |
| Teen dating violence, safe school climate plan inclusion 14-234 | 334 |
| Tuition raffles, partial student loan payments allowed 14-28 | 386 |
| Vision/hearing/postural screenings, public school requirements reduced 14-230 (VETOED) | 125 |

SUBSTANCE ABUSE*See Alcohol and Drug Abuse*

SUPERIOR COURTS

- Advisory Council to the Housing Session
renamed/membership increased
14-4 219
- Civil protection orders, created
14-217 7

SUPREME COURT

- Chief justice, State Library Board
appointment modifications
14-207 323

TASK FORCES

See Boards and Commissions

TAXATION

- See also Corporation Business Tax;
Income Taxes; Oil and Gas;
Property and Real Estate;
Property Taxes; Sales and Use Taxes*
- Estate, tax calculation modification/
gift tax credit
14-155 190
- Motor fuels, DRS calculation information
disclosure
14-155 190
- State/local tax structure, study requirements
14-217 7
- Statutes, technical/minor changes
14-60 172
- Urban and Industrial Site Reinvestment
Program, available tax credits increased
14-98 173

TEACHERS

- See also School Personnel*
- Dyslexia, teacher preparation program
requirements
14-39 102
- English Language Learner education
incentive program, modified
14-21 246
- Mentors/reviewers, indemnification
protections
14-230 (VETOED) 125
- Pension, income tax exemption
14-47 1

TELECOMMUNICATIONS

- See also Utilities*
- Antenna/tower inventory, municipal
reporting requirement repealed
14-19 343

- Certain contracts, DAS review requirement
repealed
14-202 240
- Companies, vegetation management changes
14-151 143

TELEPHONES AND TELEPHONE COMPANIES

- See also Utilities*
- Customer notification requirements,
telephone solicitation/"Do Not Call"
registry
14-53 206
- Robocall disconnection violation, fine
increased
14-14 201

TELEVISION

See Cable Television

TEMPORARY FAMILY ASSISTANCE

- Employability plan, educational courses
permitted
14-172 260

TOBACCO PRODUCTS

- E-cigarettes, sale to minors prohibited/
penalties established
14-76 88
- Improperly packaged cigarette sales, fines
14-76 88
- Sales to minors, penalty modifications
14-76 88
- Settlement agreement, Nonparticipating
Manufacturer Adjustment Settlement
Agreement implementation
14-155 190
- Tobacco and Health Trust Fund, annual
disbursement increase allowed
14-76 88

TRAFFIC RULES AND REGULATIONS

- Administrative license suspensions,
penalties modified
14-228 328
- School bus flashing lights, emergency
vehicle passing allowed
14-221 391
- Vehicular homicide/evading responsibility
violations, statute of limitations
eliminated
14-185 321

TRANSPORTATION

*See also Highways and Roads;
Motor Vehicles; Ports; Railroads;
Trucks and Trucking*

| | |
|---|-----|
| Fracking waste carriers, permit requirement 14-200 | 160 |
| Intermodal transportation facility, Urban Action grant funds reserved 14-98 | 173 |
| Interstate livery vehicle operators, background checks required 14-199 | 407 |

TRANSPORTATION, DEPT. OF

| | |
|---|-----|
| Bus fare inspectors, enforcement authority 14-199 | 407 |
| Chemical road treatments, study required 14-199 | 407 |
| For-hire transportation service industry, study required 14-199 | 407 |
| Maritime Office functions transfer to Connecticut Port Authority, DECD transfer plan required 14-222 | 410 |
| Moving company certification, criminal history/financial stability considerations 14-68 | 402 |
| Rentschler Field access challenges, study required 14-199 | 407 |

TRUCKS AND TRUCKING

| | |
|---|-----|
| Commercial drivers' license, changes 14-130 | 402 |
| Commercial truck PILOT repeal, technical amendments 14-139 | 347 |
| Moving company certification, criminal history/financial stability considerations 14-68 | 402 |

TRUSTS

See Estates and Trusts

UNFAIR TRADE PRACTICES

See Connecticut Unfair Trade Practices

UNIFORM AND MODEL LAWS

| | |
|--|-----|
| Uniform Administrative Procedure Act, modifications 14-187 | 221 |
|--|-----|

| | |
|---|-----|
| Uniform Certificate of Title for Vessels Act, enacted 14-63 | 393 |
| Uniform State Seed Law, provisions adopted 14-223 | 165 |

UNIVERSITIES

*See Colleges and Universities;
Connecticut State University;
Higher Education;
University of Connecticut*

UNIVERSITY OF CONNECTICUT

| | |
|---|-----|
| Academic program approval requirements, OHE standards/regulations adherence 14-91 | 249 |
| Leases, certain prohibitions eliminated 14-5 | 243 |
| Military personnel/veteran college credit awards, report requirements 14-131 | 416 |
| Trustees, military personnel/veteran college credit awards reporting requirements modified 14-65 | 247 |

UTILITIES

*See also Cable Television; Electric
Companies; Oil and Gas; Public
Utilities Regulatory Authority;
Telecommunications;
Telephones and Telephone
Companies; Water and Water
Companies*

| | |
|--|-----|
| Call Before You Dig program, scope expanded 14-94 | 134 |
| Telegraph company obsolete provisions, eliminated 14-134 | 142 |

VETERANS

See also Military

| | |
|---|-----|
| Hospital status determination, required 14-141 | 419 |
| Occupational licensing, certain requirements waived 14-131 | 416 |
| Pretrial diversionary programs, eligibility modified 14-56 | 415 |
| Services, municipal contact person designation requirement modified 14-56 | 415 |

Veterans' service organizations, liquor club
 guest book requirements waiver
 14-114 415

VETERANS' AFFAIRS, DEPT. OF
 Permanent supportive housing initiative,
 administration
 14-46 252
 Veteran's hospital costs, payment options/
 benefits list
 14-141 419

VICTIM'S RIGHTS
See Crime Victims

VITAL RECORDS
See Birth Certificates

VOCATIONAL EDUCATION
 Connecticut Technical High School System,
 student employment information
 reporting modifications
 14-59 350
 Noncredit vocational programs, higher
 education accountability measures/report
 inclusion requirements
 14-225 351

VOTERS AND VOTING
See Elections

WAGES
See also Labor and Employment;
Minimum Wage
 Bank account executions, protected funds
 expanded
 14-9 337
 Overtime exclusion, home care worker
 sleep-time
 14-159 340
 Self-sufficiency measurement, requirement
 eliminated
 14-42 338
 State Marshal service of process, maximum
 hourly rate increased
 14-87 305

WARRANTIES
 Property/casualty certificates of insurance,
 warranty inclusion prohibited
 14-74 269

WATER AND WATER COMPANIES
See also Utilities
 Bulk water haulers, license requirement
 14-178368
 Drinking water projects grant program,
 established/bonds authorized
 14-98173
 Land sales, DPH permit authority
 14-231372
 Water Planning Council, membership/state
 water plan responsibilities
 14-163155
 Water supply to deficient wells, PURA
 authority
 14-94134
 Water Utility Coordinating Committee,
 coordinated water system plan
 requirements
 14-163155

WATER POLLUTION
 Clean Water Fund phosphorus removal
 grants, municipal eligibility expanded
 14-13147

WEAPONS
 Electronic defense, police use reporting
 requirements
 14-149388

WELFARE
 Public assistance recipients, employment
 information record sharing requirements
 14-42338

WHISTLEBLOWERS
 Investigations, DRS disclosures to Auditors
 of Public Accounts
 14-227199

WILDLIFE
See Fish and Game

WILLS
See Estates and Trusts

WOMEN
 Breast ultrasound screenings, copayment cap
 14-97269

WORKERS' COMPENSATION

- Commission, hospital/ambulatory surgical center price calculation/publication, changes
14-167 341

**WORKFORCE COMPETITIVENESS,
OFFICE OF**

- Film industry workforce training program, eliminated
14-42 338
- Self-sufficiency measurement, requirement eliminated
14-42 338

WORKFORCE DEVELOPMENT

See Job Training

ZONING

See Property and Real Estate

INDEX BY PA NUMBER

| | | |
|-----------------|-------------------------|---------------------------|
| 14-1 337 | 14-57 148 | 14-113 120 |
| 14-2 169 | 14-58 (VETOED)..... 349 | 14-114 415 |
| 14-3 297 | 14-59 350 | 14-115 254 |
| 14-4 219 | 14-60 172 | 14-116 254 |
| 14-5 243 | 14-61 304 | 14-117 249 |
| 14-6 263 | 14-62 350 | 14-118 273 |
| 14-7 65 | 14-63 393 | 14-119 357 |
| 14-8 264 | 14-64 266 | 14-120 312 |
| 14-9 337 | 14-65 247 | 14-121 312 |
| 14-10 265 | 14-66 85 | 14-122 313 |
| 14-11 243 | 14-67 304 | 14-123 273 |
| 14-12 355 | 14-68 402 | 14-124 347 |
| 14-13 147 | 14-69 97 | 14-125 (VETOED) 313 |
| 14-14 201 | 14-70 87 | 14-126 208 |
| 14-15 357 | 14-71 305 | 14-127 208 |
| 14-16 201 | 14-72 387 | 14-128 99 |
| 14-17 357 | 14-73 59 | 14-129 99 |
| 14-18 301 | 14-74 269 | 14-130 402 |
| 14-19 343 | 14-75 131 | 14-131 416 |
| 14-20 265 | 14-76 88 | 14-132 255 |
| 14-21 246 | 14-77 151 | 14-133 358 |
| 14-22 201 | 14-78 219 | 14-134 142 |
| 14-23 219 | 14-79 97 | 14-135 209 |
| 14-24 385 | 14-80 153 | 14-136 143 |
| 14-25 385 | 14-81 173 | 14-137 387 |
| 14-26 251 | 14-82 207 | 14-138 360 |
| 14-27 301 | 14-83 345 | 14-139 347 |
| 14-28 386 | 14-84 68 | 14-140 92 |
| 14-29 386 | 14-85 97 | 14-141 419 |
| 14-30 253 | 14-86 305 | 14-142 255 |
| 14-31 393 | 14-87 305 | 14-143 361 |
| 14-32 201 | 14-88 97 | 14-144 209 |
| 14-33 344 | 14-89 71 | 14-145 209 |
| 14-34 219 | 14-90 113 | 14-146 313 |
| 14-35 251 | 14-91 249 | 14-147 314 |
| 14-36 387 | 14-92 154 | 14-148 362 |
| 14-37 303 | 14-93 90 | 14-149 388 |
| 14-38 101 | 14-94 134 | 14-150 63 |
| 14-39 102 | 14-95 59 | 14-151 143 |
| 14-40 265 | 14-96 345 | 14-152 145 |
| 14-41 111 | 14-97 269 | 14-153 155 |
| 14-42 338 | 14-98 173 | 14-154 314 |
| 14-43 147 | 14-99 91 | 14-155 190 |
| 14-44 339 | 14-100 154 | 14-156 317 |
| 14-45 251 | 14-101 346 | 14-157 255 |
| 14-46 252 | 14-102 346 | 14-158 256 |
| 14-47 1 | 14-103 306 | 14-159 340 |
| 14-48 202 | 14-104 308 | 14-160 256 |
| 14-49 252 | 14-105 59 | 14-161 257 |
| 14-50 202 | 14-106 249 | 14-162 258 |
| 14-51 203 | 14-107 270 | 14-163 155 |
| 14-52 204 | 14-108 272 | 14-164 259 |
| 14-53 206 | 14-109 340 | 14-165 362 |
| 14-54 147 | 14-110 311 | 14-166 317 |
| 14-55 253 | 14-111 207 | 14-167 341 |
| 14-56 415 | 14-112 220 | 14-168 364 |

| | | | |
|----------------------|-----|----------------------|-----|
| 14-169 | 158 | 14-225 | 351 |
| 14-170 | 159 | 14-226 | 371 |
| 14-171 (VETOED)..... | 100 | 14-227 | 199 |
| 14-172 | 260 | 14-228 | 328 |
| 14-173 | 318 | 14-229 | 125 |
| 14-174 | 196 | 14-230 (VETOED)..... | 125 |
| 14-175 | 286 | 14-231 | 372 |
| 14-176 | 120 | 14-232 | 129 |
| 14-177 | 319 | 14-233 | 330 |
| 14-178 | 368 | 14-234 | 334 |
| 14-179 | 388 | 14-235 | 295 |
| 14-180 | 368 | | |
| 14-181 | 320 | | |
| 14-182 | 221 | | |
| 14-183 | 348 | | |
| 14-184 | 320 | | |
| 14-185 | 321 | | |
| 14-186 | 92 | | |
| 14-187 | 221 | | |
| 14-188 | 236 | | |
| 14-189 | 210 | | |
| 14-190 (VETOED)..... | 160 | | |
| 14-191 | 211 | | |
| 14-192 | 321 | | |
| 14-193 | 287 | | |
| 14-194 | 60 | | |
| 14-195 | 289 | | |
| 14-196 | 96 | | |
| 14-197 | 211 | | |
| 14-198 | 420 | | |
| 14-199 | 407 | | |
| 14-200 | 160 | | |
| 14-201 | 162 | | |
| 14-202 | 240 | | |
| 14-203 | 369 | | |
| 14-204 | 322 | | |
| 14-205 | 163 | | |
| 14-206 | 261 | | |
| 14-207 | 323 | | |
| 14-208 | 250 | | |
| 14-209 (VETOED)..... | 261 | | |
| 14-210 | 212 | | |
| 14-211 | 369 | | |
| 14-212 | 121 | | |
| 14-213 | 326 | | |
| 14-214 | 370 | | |
| 14-215 | 326 | | |
| 14-216 | 294 | | |
| 14-217 | 7 | | |
| 14-218 (VETOED)..... | 389 | | |
| 14-219 | 389 | | |
| 14-220 | 390 | | |
| 14-221 | 391 | | |
| 14-222 | 410 | | |
| 14-223 | 165 | | |
| 14-224 | 213 | | |