TO: Members of the Finance, Revenue, and Bonding Committee

FROM: OFA & OLR Staff

RE: Items for April 5, 2016 Agenda

BILLS FOR JF CONSIDERATION

1. S.B. No. 450 (RAISED) AN ACT CONCERNING MUNICIPAL PROPERTY TAX ABATEMENT. (FIN) JF to Floor

**SUMMARY:** This bill expands municipalities’ options for fixing real property assessments on certain development projects. It allows municipalities to fix the tax assessment for a range of real estate development projects for up to 10 years, rather than basing the period for the fixed assessment on the value of project improvements. Under current law, the fixed assessment may be (1) up to 100% of the increased assessment for up to seven years for projects over $3 million, (2) up to 100% of the increased assessment for up to two years for projects over $500,000, and (3) up to 50% of the increased assessment for up to three years for projects over $10,000.

The bill also requires the residential developments for which municipalities may fix assessments to be connected to residential property consisting of at least four dwelling units. By law, municipalities may also provide fixed assessments for the following uses: office; retail; manufacturing; warehouse, storage, or distribution; recreational; transportation; information technology; and multilevel parking for mass transit systems.

**EFFECTIVE DATE:** October 1, 2016 and applicable to assessment years beginning on or after that date.

**FISCAL IMPACT:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Municipalities Affected</td>
<td>Effect</td>
<td>FY 16</td>
<td>FY 17</td>
<td>FY 18</td>
</tr>
<tr>
<td>------------------------</td>
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<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td>Various</td>
<td>Revenue Gain/Loss</td>
<td>None</td>
<td>None</td>
<td>Potential</td>
</tr>
</tbody>
</table>

The bill 1) expands an optional freeze on certain property assessments to include the entire assessment of certain property for 10 years, which results in a grand list reduction, and 2) it restricts the freeze, specifying that only residential property consisting of four or more dwelling units can be eligible for the program, which results in a grand list expansion. The net revenue gain/loss as a result of the bill will vary based on the municipality.

2. **S.B. No. 462 (RAISED) AN ACT CONCERNING A TAX INCENTIVE FOR THE DEVELOPMENT OF VACANT COMMERCIAL AND INDUSTRIAL PROPERTIES. (FIN) JF to Floor**

*SUMMARY:* This bill requires the Department of Economic and Community Development (DECD) commissioner to study the incentives available for developing vacant commercial and industrial properties and, by January 1, 2017, report her findings and recommendations to the Finance, Revenue and Bonding Committee.

**EFFECTIVE DATE:** October 1, 2016

**FISCAL IMPACT:** None

The bill has no fiscal impact by requiring the Department of Economic and Community Development (DECD) to conduct a study on incentives for the development of vacant commercial and industrial properties.

DECD’s Office Business Development and Office of Brownfield Remediation and Development are the state’s primary offices that provide financial incentives for the development of businesses and their associated properties. DECD will therefore be able to complete the study with no additional resources.

3. **S.B. No. 463 (RAISED) AN ACT CONCERNING THE PENALTY FOR VIOLATIONS OF A MUNICIPAL ORDINANCE CONCERNING THE OPERATION OF A DIRT BIKE OR ALL-TERRAIN VEHICLE. (FIN) JFS to Floor**

*SUMMARY:* This bill broadens the range of penalties certain municipalities may impose for violations of specified motorized vehicle ordinances. It does so by
authorizing municipalities with 30,000 or more residents that have ordinances regulating the use of dirt bikes, ATVs, or mini-motorcycles on public property to include in their ordinances a provision allowing the seizure and forfeiture of the vehicles used in violation of the ordinances. The bill establishes an appeals process for individuals whose vehicles have been seized and requires municipalities to destroy the vehicles after the appeal period has expired.

By law, municipalities may set the penalty for violating dirt bike or ATV ordinances at up to (1) $1,000 for the first violation, (2) $1,500 for the second violation, and (2) $2,000 for the third or subsequent violation. The bill allows municipalities to impose these same penalties for violations of ordinances regulating the operation and use of mini-motorcycles on public property. It allows them to fine a first-time violator of such an ordinance without first providing a warning, just as they may do for dirt bike or ATV ordinance violations under existing law.

EFFECTIVE DATE: October 1, 2016

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16</th>
<th>FY 17</th>
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</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
<th>Municipalities Affected</th>
<th>Effect</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>Potential Revenue Gain</td>
<td>None</td>
<td>Potential Minimal</td>
<td>Potential Minimal</td>
</tr>
</tbody>
</table>

The bill allows municipalities with 30,000 or more residents to include in their ordinances a provision allowing the forfeiture of the vehicles used in violation of the ordinances.

The bill results in a potential, revenue gain to municipalities with dirt bike and ATV ordinances. Any potential revenue gain will depend on the number of dirt bikes that are seized and then sold.

4. H.B. No. 5638 (RAISED) AN ACT CONCERNING THE FAILURE TO FILE FOR CERTAIN TAX EXEMPTIONS. (FIN) JFS to Floor

SUMMARY: This bill extends the statutory deadlines for taxpayers in several
municipalities to file claims for specified property tax exemptions, as shown in Table 1.

Table 1: Exemption Deadline Waivers

<table>
<thead>
<tr>
<th>§</th>
<th>Town</th>
<th>Grand List</th>
<th>Type of Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Berlin</td>
<td>2014</td>
<td>Manufacturing machinery and equipment (MME)</td>
</tr>
<tr>
<td>2</td>
<td>North Branford</td>
<td>2014</td>
<td>Nonprofit organization property</td>
</tr>
<tr>
<td>3</td>
<td>Monroe</td>
<td>2014</td>
<td>MME</td>
</tr>
<tr>
<td>4</td>
<td>Milford</td>
<td>2015</td>
<td>MME</td>
</tr>
<tr>
<td>5</td>
<td>Middletown</td>
<td>2014</td>
<td>MME</td>
</tr>
<tr>
<td>6</td>
<td>Watertown</td>
<td>2015</td>
<td>MME</td>
</tr>
<tr>
<td>7</td>
<td>Waterbury</td>
<td>2012</td>
<td>MME in designated areas or municipalities (eligible for partial state reimbursement)</td>
</tr>
</tbody>
</table>

EFFECTIVE DATE: July 1, 2016, except the Waterbury provision is effective upon passage.

FISCAL IMPACT:

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Policy and Management</td>
<td>Cost</td>
<td>None</td>
<td>None</td>
<td>Potential</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Municipalities Affected</th>
<th>Effect</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin, Monroe, North Branford, Milford, Middletown, Watertown, Waterbury</td>
<td>Cost/Revenue Loss</td>
<td>None</td>
<td>Potential</td>
<td>None</td>
</tr>
<tr>
<td>Various Distressed Municipalities</td>
<td>Potential Revenue Loss</td>
<td>None</td>
<td>None</td>
<td>Minimal</td>
</tr>
</tbody>
</table>

The bill also allows taxpayers in Berlin, Monroe, North Branford, Milford, Middletown, Watertown, and Waterbury who would have been eligible for certain tax exemptions, if they had not missed the deadline to file a claim, to receive such exemptions.

These exemptions are based on past grand lists, for which taxes have already been levied. Due to this, the bill results in either a revenue loss to affected municipalities or a
cost to reimburse taxpayers for taxes that have already been paid.

The bill requires the Office of Policy and Management (OPM) to reimburse the City of Waterbury for the cost/revenue loss to the City through the Distressed Municipalities grant.

The bill increases the cost of fully funding the Distressed Municipalities grant. However, because the grant is subject to proration, the bill only results in a cost to OPM if a sufficient appropriation is provided to fully fund the grant. Otherwise, the bill results in a revenue loss to towns besides Waterbury that receive Distressed Municipalities grant funding.

5. **Substitute for S.B. No. 399 (RAISED) AN ACT CONCERNING RESEARCH AND DEVELOPMENT TAX CREDITS. (CE,FIN) JFS to Floor**

**SUMMARY:** This bill accelerates the schedule for raising the cap on R&D tax credits back to 70% of a business’s corporation income tax. PA 15-244 reduced the cap from 70% to 50.01% for these and other tax credits the law authorizes. PA 15-1, December Special Session, raises the cap back to 70% for incremental and non-incremental R&D expenditures (and urban and industrial sites reinvestment projects) over four years, by 5% per year starting in 2016, when the cap rose to 55% of tax liability.

The bill raises the cap to 70% over three years. It keeps the cap at 55% in 2016 and raises it from (1) 60% to 65% in 2017 and (2) 65% to 70% in 2018.

**EFFECTIVE DATE:** January 1, 2017 and applicable to income years beginning on or after that date.

**FISCAL IMPACT:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16 $</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Revenue Services</td>
<td>Revenue Loss</td>
<td>None</td>
<td>500,000</td>
<td>2.0 million</td>
</tr>
</tbody>
</table>

The bill accelerates the phase-up of the tax credit cap for the Research & Development and Research & Experimental tax credits, which results in a revenue loss of $500,000 in FY 17, $2.0 million in FY 18 and $1.5 million in FY 19.

6. **H.B. No. 5576 (RAISED) AN ACT CONCERNING THE ESTABLISHMENT OF A STATE-WIDE MARKETING AND PROMOTION ACCOUNT AND THE**
APPLICATION OF A FLAT-RATE OCCUPANCY TAX TO BED AND BREAKFASTS. (CE,FIN) JFS to Floor

**SUMMARY:** This bill (1) creates a statewide marketing and promotion account as a separate, non-lapsing General Fund account, (2) taxes bed and breakfasts separately from hotels and lodging houses, and (3) takes a portion of revenue the room occupancy tax generates to capitalize the account.

Under current law, the occupancy tax on bed and breakfasts is the same as hotels and lodging houses, 15%. The bill lowers the rate for bed and breakfasts to 10% and requires the revenue services commissioner to deposit 9% of the occupancy tax revenue in the statewide marketing and promotion account, which the economic and community development commissioner must use to promote tourism that maximizes the tax revenue these establishments generate.

**EFFECTIVE DATE:** January 1, 2017

**FISCAL IMPACT:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16 $</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Revenue Services</td>
<td>General Fund - Revenue Loss</td>
<td>None</td>
<td>$5,650,000</td>
<td>$11,300,000</td>
</tr>
<tr>
<td>Department of Economic and Community Development</td>
<td>State-wide Marketing and Promotion Account - Revenue Gain</td>
<td>None</td>
<td>$5,500,000</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Office of Policy and Management</td>
<td>Regional Planning Incentive Account - Revenue Loss</td>
<td>None</td>
<td>$13,500</td>
<td>$27,000</td>
</tr>
</tbody>
</table>

The bill results in a revenue loss to the General Fund of $5.65 million in FY 17 and an annualized loss of $11.3 million in FY 18 and thereafter by (1) lower the occupancy tax rate on Bed and Breakfast establishments (B&Bs) from 15% to 10% and (2) transferring revenue generated by the occupancy sales taxes from the General Fund to a newly created state-wide marketing and promotion account.
B&B Occupancy Tax Rate Decrease:

The bill results in a revenue loss of $150,000 in FY 17 and $300,000 in FY 18 and thereafter by lowering the occupancy tax rate on B& Bs from 15% to 10%.

The bill also results in a revenue loss of $27,000 to the Regional Planning Incentive Account (RPIA) as a result of the lower occupancy tax rate for B& Bs.

Current law requires 0.67% of occupancy tax collections (or 1 percentage point of the 15% tax) to be deposited into the RPIA account. The bill does not amend the 0.67% RPIA transfer rate with regards to the B&B occupancy tax rate. The bill therefore results in a lower transfer to the RPIA associated with the lower B&B occupancy tax rate. (See below for background information).

State-wide Marking and Promotion Account

The bill results in a revenue loss to General Fund, and a corresponding revenue gain to the “state-wide marketing and promotion “ account of $5.5 million in FY 17 and a $11 million loss in FY 18 by transferring 9% of the occupancy taxes’ collections from the General Fund to the account.

The bill creates the account as a separate non-lapsing account in the General Fund to be administered by the Department of Economic and Community Development (DECD). As background, DECD’s General Fund appropriated budget includes a “statewide marketing” account, through which statewide marketing initiatives like the “Still Revolutionary” campaign are funded. The FY 16 appropriation, net changes implemented in PA 15-5 DSS and SB 474, is $6 million.

Background on RPIA

By law, the OPM secretary uses the RPIA account to fund (1) annual grants to regional councils of government and (2) grants awarded under the regional performance incentive program. PA 15-244 eliminates the transfer of funding from both taxes in FY 17 for a revenue gain to the General Fund of $10 million.

7. H.B. No. 5262 (RAISED) (File No. 44) AN ACT CONCERNING WORKERS’ COMPENSATION COVERAGE FOR CURRENT AND FORMER UNIFORMED MEMBERS OF PAID OR VOLUNTEER FIRE DEPARTMENTS. (LAB,FIN) JF to Floor
**SUMMARY:** This bill creates a rebuttable presumption that the firefighting performed by volunteer, municipal, and state firefighters causes numerous types of cancer. Thus it makes those with the disease eligible for workers' compensation benefits unless a preponderance of the evidence shows that something else caused the disease.

As with any workers’ compensation claim, to qualify for payment, the disease must result in the employee's or volunteer's death or temporary or permanent total or partial disability.

The bill also permits retired firefighters to apply for the benefits within five years of their retirement.

It also makes technical and conforming changes.

**EFFECTIVE DATE:** October 1, 2016

**FISCAL IMPACT:**

**State Impact:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various State Agencies</td>
<td>Various Funds-Cost</td>
<td>See Below</td>
<td>See Below</td>
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</table>

**Municipal Impact:**

<table>
<thead>
<tr>
<th>Municipalities</th>
<th>Effect</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various Municipalities</td>
<td>STATE MANDATE - Cost</td>
<td>See Below</td>
<td>See Below</td>
</tr>
</tbody>
</table>

**Explanation**

The bill may result in a cost to the state's workers' compensation program and to municipalities by creating a rebuttable presumption that certain types of cancer/conditions enumerated in the bill, which present in paid and volunteer firefighters and retirees, are work related and therefore compensable under workers' compensation.

In general, volunteer firefighters are treated as employees of the municipality in which they serve. However, under CGS 7-314a(f), a volunteer firefighter who performs fire duties under the direction of the State Forest Fire Warden is considered a state employee for the purposes of workers' compensation. In addition, the state currently employs 68 paid firefighters in its...
universities and larger agencies.

The cost to the state and municipalities will depend on (1) the frequency of claims filed and (2) the severity of the claim (e.g. the extent of medical treatment and lost wage benefits), which are highly variable. In addition, the bill does not specify all types of cancer compensable under the bill. Kahler's Disease and non-Hodgkin's lymphoma are the only two cancers explicitly identified. In 2014, there were 70,800 new cases (4.3% of all new cancers) of Kahler's Disease and 24,050 new cases of non-Hodgkin's lymphoma (1.4% of all new cancers) nationally. Research estimates the average annual net cost of initial cancer treatment is approximately $57,319. The average annual net cost of ongoing treatment is approximately $11,697. Cost estimates vary by (1) type of cancer, (2) when the individual is diagnosed, (3) age and overall health, and (4) any other presenting symptoms. Of the state's approximately 26,650 firefighters, 22,225 are volunteer (or 83%).

There will be a cost to municipalities determined by (1) the frequency of claims filed and (2) the severity of the claim (e.g. the extent of medical treatment and lost wage benefits), which are highly variable. The cost to fully insured municipalities will be reflected in premiums after October 1, 2016.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to (1) frequency of claims filed, (2) severity, and (3) changes in premiums (for fully insured municipalities).

1 For municipalities operating solely with a volunteer fire department, the state is a secondary responder. The State Forest Fire Warden has approximately 20 firefighters to support and direct municipalities in the event they are called in to assist.

2 Source: National Institute of Health, National Cancer Institute: Surveillance, Epidemiology, and End Results Program. (www.cancer.gov)

3 The annual initial treatment costs range from $5,047 to $138,300 and ongoing costs range from $915 to $11,697. The costs are net of any member cost sharing. (Source: Mariotto, A., Yabroff, K.R., Shao, Y., Feuer, E., and Brown, Martin (2011). Projections of the Cost of Cancer Care in the United States: 2010 – 2020; Oxford University Press.)

4 Source: Connecticut State Fire Fighters Association, members as of 2014.

5 There are currently 32 towns and cities in Connecticut who are self-insured and therefore pay the cost of claims incurred.
8. Substitute for H.B. No. 5324 (RAISED) (File No. 63) AN ACT CONCERNING ALCOHOLIC LIQUOR. (GL,FIN) JFS to Floor

**SUMMARY:** This bill makes several unrelated changes to the Liquor Control Act.

The bill generally allows permittees that sell or dispense alcohol for on-premises consumption (e.g., restaurants and taverns) and manufacturer permittees for a farm winery to sell and dispense alcohol an hour earlier on Sundays, starting at 10:00 a.m. instead of 11:00 a.m.

It also generally prohibits permittees (e.g., package stores and grocery stores) from selling or dispensing alcohol for off-premises consumption on Easter Sunday. The law already prohibits such actions on Thanksgiving Day, New Year's Day, and Christmas.

The bill increases the number of times, from four to 16, that the Department of Consumer Protection can waive the requirement that restaurant permittees for a catering establishment must only (1) serve alcohol for on-premises consumption to guests invited to and attending a function, occasion, or event at the catering establishment and (2) sell alcohol during the specific hours the function, occasion, or event is scheduled. By law, the establishment must apply for a waiver at least 10 days before the scheduled function, occasion, or event.

Under the bill, a manufacturer permittee for a farm winery may offer free tastings at a farmers' market if the wine was manufactured at the winery. By law, a permittee can already sell such wine at retail at the farmers' market. He or she must be invited by the farmers' market and hold a farmers' market wine sales permit.

**EFFECTIVE DATE:** Upon passage, except July 1, 2016 for the in-state transporter and restaurant catering permit provisions.

**FISCAL IMPACT:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Effect</th>
<th>FY 16 $</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of</td>
<td>Potential Revenue Gain</td>
<td>None</td>
<td>Minimal</td>
<td>Minimal</td>
</tr>
<tr>
<td>Revenue Services</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of</td>
<td>Potential Revenue Loss</td>
<td>None</td>
<td>Up to 50,000</td>
<td>Up to 50,000</td>
</tr>
<tr>
<td>Revenue Services</td>
<td></td>
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</tbody>
</table>

The bill increases, from four to sixteen, the number of functions for which catering
establishments may waive the requirements (1) to serve only guests of a function, occasion or event and (2) to sell alcohol during a function, occasion or event.

This results in a potential minimal revenue gain in sales tax, to the extent that catering establishments increase sales of alcohol from this extension.

The bill also may result in a potential minimal revenue gain in sales tax by extending by one hour on Sunday the sale of alcohol for on-premise consumption and the sale of alcohol by manufacturer permittees for a farm winery. Any potential revenue gain would result only to the extent that additional sales of alcohol are generated that otherwise would not occur during the hours currently allowed by law.

The bill also results in a potential minimal revenue loss of up to $50,000 in sales tax by prohibiting the sale of alcohol on Easter Sunday. Any potential revenue loss would result only to the extent that consumers do not shift purchases to other allowable days under the bill. The prohibition of the sale of alcohol on Easter Sunday does not alter the responsibilities or duties of the Department of Consumer Protection and therefore does not result in a fiscal impact to the agency.

The impacts to the sales tax listed above would also result in corresponding impacts to the Municipal Revenue Sharing Account and the Special Transportation Fund.\(^1\)

**9. Substitute for S.B. No. 136 (RAISED) (File No. 124) AN ACT REGULATING THE USE OF JETTED ARTICULATED VESSELS AND CERTAIN WATER SKIING DEVICES. (ENV,FIN) JF to Floor**

**SUMMARY:** This bill establishes requirements for operators of jetted articulated vessels (JAVs) similar to the requirements for operators of personal watercraft (PWC, e.g., jet skis). Violators of the requirements are subject to a $60 to $250 fine for each violation.

Under the bill, in order to operate a JAV, a person must be at least age 16 and hold a certificate of personal watercraft operation (CPWO). The bill prohibits a JAV owner from knowingly allowing someone under age 16 without a CPWO to operate a JAV. But it allows the Department of Energy and Environmental Protection (DEEP) commissioner to modify or suspend the age requirement in writing for certain authorized marine events (e.g., parades, exhibitions, tournaments). By law, he may

\(^1\) PA 15-244, as amended by PA 15-5 JSS and PA 15-1 DSS, requires a monthly transfer of a portion of the sales tax generated into the Municipal Revenue Sharing Account and the Special Transportation Fund. The general sales and use tax rate, from which the diversion occurs, remains at 6.35%.
already suspend or modify the CPWO requirement for marine events.

The bill prohibits a person from operating a JAV in a slow-no-wake area except to transit the area, unless the DEEP commissioner allows it for a marine event. It also prohibits a person from operating a JAV within 200 feet of a dock, shore, pier, or fixed structure or within 100 feet of any vessel, except to transit the area.

The bill also extends the definition of water skiing to include watersports performed behind a vessel whether or not the person is connected by a towing line to the vessel (e.g., wake surfing). By doing so, it subjects such watersport participants to existing water skiing requirements. The bill prohibits a person from operating a vessel engaged in water skiing (1) in a way that causes wakes to damage or injure property or people or (2) if the aggregate number of water skiers and vessel occupants exceeds the vessel manufacturer's specified carrying capacity.

**EFFECTIVE DATE:** Upon passage

**FISCAL IMPACT:**

**State Impact:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Energy and Environmental Protection</td>
<td>GF - Potential Revenue Gain</td>
<td>Under 1,000</td>
<td>Under 1,000</td>
</tr>
</tbody>
</table>

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill (1) extends the definition of water skiing to include watersports performed behind a vessel regardless of tethering, (2) establishes that the aggregate number of water skiers and vessel occupants cannot exceed the boat's specified carrying capacity, and (3) establishes new requirements for operators and passengers of jetted articulated vehicles (JAVs).

Any revenue generated from violations of these new and expanded watercraft provisions is anticipated to generate less than $1,000 annually. In FY 14 and FY 15, violations of personal watercraft operation generated an average of $3,865 in revenue.
The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

10. Substitute for S.B. No. 140 (RAISED) (File No. 126) AN ACT CONCERNING THE DUTIES OF THE CONNECTICUT MARKETING AUTHORITY. (ENV,FIN) JF to Floor

**SUMMARY:** This bill expands the Connecticut Marketing Authority's (CMA) administrative powers to include the leasing, permitting, and licensing of property under its control. Current law allows it to lease, but not permit or license, only its land or markets.

Under existing law, CMA may lease to an agricultural cooperative, a farm produce or supply wholesaler, a dealer in other commodities, or anyone providing essential services to the market. The bill (1) allows CMA to also permit or license these entities and (2) allows it to lease to, permit, or license an entity that benefits market operations. Any change to a lease's, permit's, or license's status must be reported to the Office of Policy and Management secretary, but the bill does not specify a deadline for doing so.

The bill applies existing requirements related to administering CMA leases to the leases, permits, and licenses the bill covers. Such requirements address (1) their duration, renewal, and termination and (2) written records of CMA's actions.

The bill additionally requires that CMA's regulations, which currently must address leasing its land and markets, also address the expanded authority to lease, permit, or license.

**EFFECTIVE DATE:** Upon passage

**FISCAL IMPACT:**

**State Impact:**

<table>
<thead>
<tr>
<th>Agency Affected</th>
<th>Fund-Effect</th>
<th>FY 17 $</th>
<th>FY 18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture</td>
<td>RMOF - Revenue Gain</td>
<td>Potential</td>
<td>Potential</td>
</tr>
</tbody>
</table>

Note: RMOF=Regional Market Operation Fund

**Municipal Impact:** None
**Explanation**

The bill expands the authority of the Connecticut Marketing Authority (CMA) to lease, permit, and license property under its control. Current law allows it to lease, but not permit or license.

This may result in a revenue gain the Regional Market Operation Fund (RMOF), administered by the Department of Agriculture (DoAg). In FY 15, there were leases that generated approximately $786,400 in revenue within the RMOF in FY 15.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

1 The Regional Market Operation Fund supports the operation of the Hartford Regional Market. The market is a fully-funded and self-sustaining non-profit venture that is operated by the state. The revenue source is the fees generated by the Market’s operations.

11. Substitute for S.B. No. 146 (RAISED) (File No. 127) AN ACT CONCERNING CERTAIN REQUIREMENTS OF COMMISSION SALES STABLES. (ENV,FIN) JF to Floor

**SUMMARY:** This bill revamps the law governing the places where livestock animals are sold at private auction (“commission sales stables”), which the Department of Agriculture (DoAg) commissioner supervises. Livestock animals are camelids (e.g., llamas or camels) or hooved animals raised for domestic or commercial use.

Among other things, the bill:

- requires commission sales stables to obtain federal agency approval, in addition to a license from DoAg;
- makes DoAg's license biennial, instead of annual, and adjusts the fee accordingly;
- requires that all animals at these facilities be identified;
- establishes a three-day deadline for slaughtering animals after a sale;
- eliminates a requirement that certain dairy and breeding animals be vaccinated against brucellosis as calves to be sold;
- requires stables to retain a licensed veterinarian who must be present when
livestock are offered for sale; and

- explicitly prohibits stables from selling wild animals, captive cervidae (e.g., deer), pets and companion animals, and psittacine birds (e.g., parrots).

The bill allows the DoAg commissioner to adopt regulations regarding commission sales stables, which may include requirements for animal identification, health and handling, facility design and construction, sanitation, and records and recordkeeping.

It also makes minor and conforming changes, such as (1) specifying that equine (e.g., horse or mule) and poultry sales must follow existing law on their sales, such as obtaining required licenses and (2) including breeding animals with dairy animals for segregation and sale order at these facilities.

EFFECTIVE DATE: October 1, 2016

**FISCAL IMPACT:**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill changes the livestock auction fee, administered by the Department of Agriculture, from $190 annually, to a biennial fee of $380. This is not anticipated to result in a fiscal impact. It would however, shift revenue collection from annual to biennial. There was one livestock auction licensed in FY 15, generating $190 in revenue.

The bill makes other changes to private livestock auctions which do not result in a fiscal impact to the state or municipalities.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of licensees.