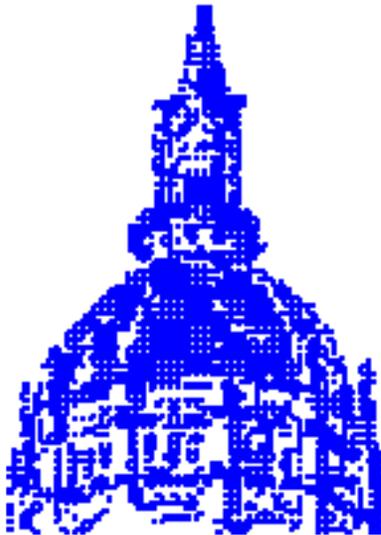


Office of Legislative Research
Connecticut General Assembly



OLR ACTS AFFECTING

BUSINESS



Prepared for Members of the Connecticut General Assembly

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2003-R-0470
July 1, 2003

NOTICE TO READERS

In its 2003 regular session, the General Assembly enacted new laws and changed existing programs of particular interest to Connecticut's businesses. This report provides brief highlights of acts that affect the business community generally and those that affect specific industries, such as restaurants, pharmacies, and motor vehicle rental companies. We do not discuss any acts that direct funds to an individual project. We will revise and update this report, if necessary, to include relevant acts enacted during the special session in progress when this report was compiled.

These summaries are in lay terms and are not intended to be legal interpretations. We encourage readers to obtain the full text of acts that interest them from the Connecticut State Library or the House Clerk's Office. Complete summaries of all public acts passed during the 2003 session will be available in early fall when OLR's *Public Act Summary* book is published or via our web page (www.cga.state.ct.us/olr).

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ADVERTISING

Highway Signs

This act doubles current fees for Department of Transportation (DOT) outdoor advertising sign permits and authorizes changeable message outdoor advertising signs with specified characteristics.

(PA 03-115, effective July 1, 2003 for the outdoor advertising structure permit fee provisions and October 1, 2003 for the changeable message advertising sign provisions)

BANKS, FINANCE, AND INSURANCE

Secured Transactions

This act makes several changes regarding secured transactions, including (1) making government transactions subject to Article 9 if permitted by other applicable statutes and (2) establishing new bank execution procedures to reflect Article 9 changes that allow security interests in deposit accounts. The act also changes provisions relating to (1) use of electronic self-help in security or lease agreements, (2) security interests in deposit accounts and inventory, (3) assignments, (4) recording security interests in local land offices, (5) fees, and (6)

judgment liens on personal property. It also makes technical changes.

(PA 03-62, effective October 1, 2003)

Medical Savings Accounts

This act exempts high-deductible individual and group policies used to establish federally qualified medical savings accounts from the \$50 maximum home health care deductible required in certain health insurance policies. The exemption applies to policies that pay (1) basic hospital expenses, (2) basic medical-surgical expenses, (3) major medical expenses, (4) accident-only expenses, (5) hospital or medical expenses, (6) limited benefit expenses, and (7) hospital and medical expenses covered by HMOs.

(PA 03-78, effective July 1, 2003)

White-Collar Crime

This act increases the fines for certain banking and accounting law violations and the offense level for specified white-collar crimes. It conditions financial institutions' ability to make certain transactions in part on whether they have adequate anti-money laundering programs, policies, and procedures and a record of compliance with anti-money laundering laws and regulations.

The act allows the banking commissioner to revoke, deny, suspend, restrict, or condition a broker-dealer or investment adviser applicant's registration or activities if he has engaged in fraudulent securities or commodities practices. It also permits him to order a person who violated the Uniform Securities Act or who engaged in a dishonest or unethical practice in the securities or commodities business both to make restitution and to disgorge any other profit he made by the violation or bad practice.

The act creates whistleblower protections for employees who assist in investigations or proceedings regarding certain state and federal white-collar crime laws. It prohibits accountants from altering, destroying, or concealing documents for seven years from the end of the fiscal year in which they concluded an audit. The act deems a violation of its provisions regarding state investigations, accountants, and certification of financial statements to be an unfair or deceptive trade practice.

(PA 03-259, effective October 1, 2003)

BUDGET REDUCTIONS

This act makes the following major changes that particularly affect businesses to implement General Fund budget reductions for FY 2003. It:

1. requires Medicaid and State Aided General Assistance (SAGA) recipients to pay \$1 for all outpatient medical services and each prescription;
2. reduces the dispensing fee paid to pharmacies for each prescription dispensed under the Medicaid, SAGA, ConnPACE, and AIDS drug assistance programs from \$3.85 to \$3.60 per prescription;
3. delayed a scheduled 2% Medicaid rate increase for certain nursing homes from January 1, 2003 until June 1, 2003; and
4. requires the Department of Social Services to adopt a preferred drug list by July 1, 2003.

(PA 03-2, effective upon passage)

CONSTRUCTION

Notice of Zoning Decisions

This act establishes a procedure by which a person seeking a building permit, certificate of occupancy, or other decision from a local building official may provide the legally required notice to the public that the building complies with zoning laws. By providing such notice, the person limits the time period during which the zoning decision may be appealed.

(PA 03-144, effective October 1, 2003)

Retainage in Private Sector Construction Contracts

This act requires property owners to establish escrow accounts for most money they withhold under a construction contract from contractors and subcontractors as retainage. The act does not apply to construction contracts involving (1) residential property consisting of four or fewer dwelling units; (2) projects valued at less than \$25,000; and (3) state, municipal, or other political subdivision public building or public works projects.

The act requires affected owners to:

1. establish the account in a Connecticut bank or savings and loan association;
2. give contractors monthly reports of the value of the retainage in the account and any additions to the account or payments from it, which can only be made with the owner's approval (contractors must make the report available for review by subcontractors who ask);
3. terminate the account when work is substantially or fully completed and after they have paid the contractor in full;
4. pay all fees and expenses related to maintaining the account; and

5. include the form and provisions of the account in all solicitations for construction services and provide the contractor and subcontractor with a copy before entering into a contract.

(PA 03-167, January 1, 2004 for the retainage provisions)

Sale of Electric, Gas, and Oil Fired Heating Units (VETOED)

This act prohibits the sale of electric, gas, and oil-fired heating units that require a building permit for installation in a one- or two-family dwelling unless the purchaser provides the seller with either (1) the name, and a copy of the occupational license, of the contractor purchasing the unit or (2) proof that a building permit for installation has been issued. It requires the seller to record certain information in writing at the time of sale, maintain the records for at least three years, and permit the consumer protection commissioner or his agents to inspect and copy them during normal business hours. The act authorizes the commissioner to fine violators \$1,000 for each violation, and makes each sale of a unit that does not meet these provisions a separate violation.

The act exempts (1) manufacturers of electric, gas, and oil-fired heating units; (2) the state and its political subdivisions; and (3) hearth

products (i.e., propane or natural gas fueled fireplaces, fireplace inserts, stoves, log sets, and associated venting and accessories that simulate the flame of a solid fuel fire).

(PA 03-172, effective October 1, 2003)

State Construction Contracts

This act:

1. requires contractors to prequalify to bid on state and municipal building construction contracts estimated to cost more than \$500,000 and at least partially funded by the state and redefines “lowest responsible qualified bidder” to include a prequalified contractor;
2. requires advertisements for bids on these contracts to include the financial capacity, prior experience, and workforce required to do the job;
3. prohibits employees with decision-making authority from communicating with bidders on building construction contracts under certain circumstances;
4. prohibits state officials and employees from accepting gifts from prequalified building contractors;
5. expands the process for starting emergency restoration on state facilities under the Department of Public Works (DPW) commissioner’s control;
6. requires state agencies to evaluate contractors after construction is completed and requires the Department of Administrative Services (DAS) commissioner to place the evaluation in the contractor’s prequalification file;
7. requires the DPW commissioner to adopt regulations to implement bidding and contracting procedures for building construction, including the (a) procedures for evaluating bids after a contractor’s prequalification status has been verified and (b) objective criteria for evaluating bidder’s qualifications;
8. requires the transportation commissioner to award large building construction contracts to the lowest responsible qualified bidder who is prequalified by DAS;
9. requires the Department of Consumer Protection to issue any prequalified contractor who applies a certificate of registration as a major contractor and prohibits the department from collecting a registration fee during any period the contractor’s prequalification is valid; and
10. changes the requirement for employing construction managers.

(PA 03-215, effective October 1, 2004, except for the provisions permitting contractors to prequalify with DAS and emergency construction, which are effective July 1, 2004)

CONSUMERS

Extended Warranties

This act subjects motor vehicle extended warranty contracts to the statutory requirements for other types of extended warranties. It expands the definition of an extended warranty to contracts or agreements to (1) perform or provide indemnification for repair, replacement, or maintenance of a product, instead of just for repair service and (2) cover operational or structural failure due to normal wear and tear in addition to defects in material, skill, or workmanship.

By law, an extended warranty provider is someone who issues, makes, provides, or offers to provide an extended warranty to a buyer. The act requires that a provider also be contractually obligated to provide service under the extended warranty. Also by law, a retail seller of an extended warranty is excluded from the provider definition if it is the manufacturer of the covered

product. The act expands this exclusion to include a subsidiary of the manufacturer.

(PA 03-50, effective July 1, 2003)

Gaming Facilities

The act restricts access of people under age 21 in Indian casinos that conduct class III gaming, and imposes fines, imprisonment, and criminal penalties for violations. Under federal law, class III games are casino-type games of chance, including blackjack, poker, dice, roulette, and baccarat.

(PA 03-114, effective October 1, 2003)

Pharmacy Care to Long-Term Care Facilities Residents

This act requires the Department of Social Services (DSS) commissioner to update and expand the list of drugs included in the Nursing Home Drug Return Program by June 30, 2003, and annually after that. It requires the list to include the 50 drugs with the highest average wholesale price that meet the program's requirements. DSS must do this in consultation with the Pharmacy Review Panel, which advises DSS on the operation of its pharmacy benefit programs, including cost savings initiatives.

The act also allows the commissioner, within available appropriations, to reimburse

pharmacies or pharmacists for services they provide to residents in long-term care facilities, (including nursing homes, rest homes, residential care homes, residential facilities for mentally retarded people, and facilities served by assisted living services agencies), in addition to other reimbursements and dispensing fees already allowed under the state's medical assistance programs, if the services improve the residents' quality of care and save the state money, as determined by the commissioner. These services may include emergency and delivery services offered on all medications, including intravenous therapy, 24 hours a day, seven days a week.

(PA 03-116, effective upon passage for the drug return program provisions and July 1, 2003, for the pharmacy service reimbursements)

SPAM Restrictions

This act, with some exceptions, restricts the activities of people who e-mail unsolicited advertising material ("spam"). It prohibits people and entities from sending spam, or causing it to be sent, after the intended recipient has notified them that he does not want to receive it. In all other transmissions to Connecticut residents, (1) the e-mail's subject line must include the letters "ADV" and (2) the body of the message must include a

toll-free telephone number or valid e-mail address the recipient can use to unsubscribe or otherwise notify the sender not to send any more spam.

The act also includes provisions on consumer leases of computers.

(PA 03-128, October 1, 2003, except the provisions on consumer leases of computers are effective on July 1, 2003)

Identity Theft

This act imposes graduated penalties for identity theft violations, establishes procedures to assist victims of the crimes, and requires businesses to revise certain practices to prevent the crimes. It prohibits businesses from printing more than the last five digits of a credit or debit account number on a consumer's receipt and from publicly disclosing Social Security numbers.

(PA 03-156, effective October 1, 2003)

Gas Drive-Offs

This act specifies that motor fuel theft can be punished as larceny. A person commits this crime if, with intent to appropriate fuel to himself or another, he delivers it, or causes delivery of it, into a vehicle's tank, a portable container, or both on a retailer's premises and leaves the premises without paying for it.

The punishment for larceny depends on the value of the property taken.

(PA 03-201, effective October 1, 2003)

Truck and Van Rental

This act requires truck and van rental companies that secure reservations for their vehicles through a check, money order, note, credit card, debit card, or transaction authorization mechanism to deliver the vehicle to the consumer at the time and place specified when the reservation was made.

Companies unable to comply must provide an alternative rental truck comparable to the one the customer reserved.

A company that violates the act is liable for damages of up to twice the agreed-upon daily rental rate. Each rental company must post, in a prominent location, a clearly legible sign explaining that failure to provide the reserved truck or a comparable alternative subjects them to this penalty.

(PA 03-245, effective October 1, 2003)

Vicarious Liability

By law, anyone renting or leasing a motor vehicle he owns to another person is liable for personal or property damage caused by the vehicle's operation

to the same extent the operator would have been had he owned the vehicle.

The act exempts from this law people who lease private passenger vehicles to others, if the total lease term is for one year or more, and the vehicle is insured for bodily injury liability for at least \$100,000 per person and at least \$300,000 per occurrence at the time the damages are incurred. This exemption applies to (1) private passenger cars; (2) station wagons; (3) campers; (4) truck-type vehicles with a gross vehicle weight of less than 10,000 pounds that are registered either as passenger cars, as a passenger and commercial vehicle, or used for farming purposes; and (5) commercially registered vehicles as defined by law. The act specifically excludes from this exemption (1) motorcycles and (2) motor vehicles used as a public or livery conveyance.

The act also exempts from liability people who rent to others trucks, tractor trailers and tractor trailer units with a gross vehicle weight of 10,000 pounds or more if (1) the lease or applicable contract term is for one year or more, and (2) the loss or claim is inured by any combination of coverage, through an insurer, for at least \$2 million.

The act exempts from double or treble damages the owner of a rental or leased motor vehicle

who was not operating the vehicle when the damages occurred.

The act applies to causes of action that arise on or after October 1, 2003.

(PA 03-250, effective October 1, 2003)

CORPORATIONS

Professional Service Corporations, Business Corporations, Nonstock Corporations, Limited Partnerships, Limited Liability Companies and Partnerships

This act allows stock corporations to merge with partnerships, limited liability partnerships, limited liability companies, joint ventures, joint stock companies, business trusts, statutory trusts, and real estate investment trusts. It grants similar authority to limited partnerships, limited liability companies, and partnerships.

By law, stock corporations, limited liability companies, and limited partnerships organized under Connecticut law may merge only with their own type of entity. Partnerships may merge only with partnerships or limited partnerships.

The act makes the laws that currently apply to these mergers also apply to mergers with the other entities. It makes a few

adjustments to these laws to reflect mergers that involve other entities.

The act also authorizes stock corporations to do share exchanges with these other business entities by allowing their shares to be exchanged for shares, cash, or other types of property.

The act changes the conditions under which stock corporations may sell their assets, other than in the ordinary course of business, without shareholder approval. Prior law required shareholder approval if a disposition involved all, or substantially all, of the corporation's property. The act instead requires such approval if a disposition would leave the corporation without a significant continuing business activity. It establishes a test to determine if this new standard has been met. It establishes a similar test for nonstock corporations.

The act makes numerous changes in the laws relating to dissolved corporations, including procedures to deal with known and unknown claims.

The act makes numerous changes to stock corporation laws relating to corrections of filed documents, the corporation's acquisition of its own shares, distributions to shareholders, removal of directors by judicial proceeding, liability for unlawful distributions, and amendments to certificates of incorporation

and bylaws. It makes similar changes for nonstock corporations with respect to correcting filed documents, liability for unlawful distributions, and amendments to the certificates of incorporation.

The act makes numerous changes in the laws dealing with nonstock corporations relating to ex-officio directors, staggered terms for directors, and court-appointed board members.

The act validates any certificate of amendment for stock corporations, or certificates of merger or share exchange filed between January 1, 1997, and the act's passage, if they were otherwise valid except for an incorrect or incomplete statement of the information required by the laws under which they were filed with respect to the approval of the shareholders.

The act reduces the fees for filing a certificate of merger or consolidation between limited partnerships from \$30 for each limited partnership that is involved to one \$30 fee. It establishes a \$30 fee for mergers or consolidations between limited partnerships and other entities.

It makes similar changes for filing a certificate of merger or consolidation for limited liability companies and limited liability partnerships. Finally, it establishes a \$30 fee for filing a certificate of merger or consolidation involving a

statutory trust and other statutory trusts or other entities.

(PA 03-18, effective July 1, 2003, except for the validating provision, which is effective upon passage)

Professional Corporations of Physician Assistants And Advanced Practice Registered Nurses, Business Corporation Shares and References In Documents To Extrinsic Facts

This act authorizes provisions of a certificate of incorporation and the terms of a merger or share exchange plan to be made dependent upon "facts objectively ascertainable" outside of them. It authorizes terms of shares to be made dependent on facts objectively ascertainable outside the certificate of incorporation. The act allows provisions to implement an amendment to a certificate of incorporation that provides for an exchange, reclassification, or cancellation of issued shares to be made dependent upon facts objectively ascertainable outside the certificate of amendment.

The act establishes certain rules that apply when any term of a merger or share exchange plan or document filed with the secretary of state is to be dependent on facts objectively ascertainable outside the plan or filed documents.

The act specifies that the term "filed document" does not refer to documents foreign corporations

must file in connection with a certificate of authority to transact business in Connecticut, or with the annual reports domestic and foreign corporations authorized to transact business in Connecticut must file.

The act authorizes a board of directors, if otherwise allowed by the certificate of incorporation, without shareholder approval, to (1) classify any unissued shares into one or more classes or into one or more series within a class; (2) reclassify any unissued shares of any class into one or more classes or into one or more series within one or more classes; or (3) reclassify any unissued shares of any series of any class into one or more classes or into one or more series within a class.

The act specifies that certificates of incorporation may authorize one or more series of shares within a class. It requires that all shares of a class or series have the same terms, including preferences, rights, and limitations that are identical with those of other shares of the same class or series, unless the certificate of incorporation explicitly sets forth the variations.

The act authorizes a corporation to issue rights, options, or warrants for the purchase of other securities of the corporation instead of just corporate shares. It specifies that this authorization constitutes authority to issue such shares or other securities.

The act adds physician's assistants and advanced practice registered nurses to the list of professions that may offer their services through a professional service corporation. It also authorizes a professional service corporation to (1) be formed solely to render professional services by a physician, and a physician assistant or an advanced practice registered nurse and (2) have as its shareholders only people licensed or otherwise legally authorized to render one of the services for which it was incorporated.

(PA 03-158, effective October 1, 2003)

Electronic Transactions

This act subjects Article 2A of the Uniform Commercial Code on leasing goods to the Uniform Electronic Transactions Act (UETA). UETA already applies to the sale of goods under Article 2. UETA establishes a legal foundation for using electronic communications in transactions where the parties agree to conduct business electronically.

(PA 03-278, effective upon passage)

ECONOMIC DEVELOPMENT

Business Loans and Technical Assistance for Low- And Moderate-Income People

This act expands the Community Economic Development Fund's (CEDF) authority to provide financing to low- and moderate-income people statewide for establishing, maintaining, and expanding businesses. CEDF is a nonprofit organization created under the statutes to help economically distressed neighborhoods develop businesses and create jobs. Under the act, people qualify for financial assistance if they earn no more than the state median income (currently \$75,400), as determined by the U.S. Department of Housing and Urban Development.

Prior law allowed CEDF to provide this and other types of financing to anyone regardless of income, but only in the state designated areas. While the act allows CEDF to extend financial assistance to low- and moderate-income people statewide, 70% of the total must still go to projects in TICs.

(PA 03-93, effective October 1, 2003)

ELECTRIC AND TELECOMMUNICATIONS UTILITIES

Energy Conservation and Load Management Funds

From February 2003 through July 2005, the act requires the Department of Public Utility Control (DPUC) to authorize electric distribution companies to send a total of \$1 million per month from their energy conservation and load management funds to a nonlapsing account in the General Fund to pay for state agencies' electricity costs and conservation projects. Each fund's contribution to the \$1 million must be in proportion to its fund receipts.

(PA 03-2, effective upon passage)

Electric Plant Mercury Emissions

This act requires certain coal-burning electric plants to reduce the amount of mercury they emit, starting July 1, 2008. It sets standards the plants must meet, requires them to test their generating units quarterly, and requires owners to submit quarterly reports to the environmental protection commissioner. The standards apply to the Bridgeport and AES Thames (Uncasville) generating plants. The act authorizes the

commissioner to set alternative emission limits if the plants cannot meet its requirements with properly installed and operating control technology. The commissioner's implementation of these provisions does not suspend any underlying procedure or requirement in state regulations.

The act also requires the commissioner to review mercury emission limits applicable to all units in the state by July 1, 2012 and authorizes him to adopt regulations imposing more stringent mercury emission limits on or after that date.

(PA 03-72, effective on passage)

Electric Restructuring

This act revises the electric restructuring law, particularly those provisions requiring electric utilities to provide service to customers who do not choose a competitive supplier. It extends, for three years, the requirement that they provide standard offer service (renamed "transitional standard offer service") to such customers and increases the maximum rate that they can charge for it. It reallocates the "adder," (the difference between the utilities' cost of standard offer service and its price) to offset future rate increases.

The act modifies the requirement that utilities provide default service to such customers

after the standard offer service requirement ends. It establishes separate pricing rules for such service provided to (1) small and medium-sized customers (named "standard service") and (2) large customers ("last resort service"). It requires utilities to procure power for standard service in a way that mitigates rapid changes in electricity prices.

The act entitles utilities to a fee for procuring power for transitional standard offer service. It also entitles them to their actual administrative costs in providing the services the act mandates, as well as the back-up service they are required to provide to customers whose supplier fails them.

Under the act, the Department of Public Utility Control (DPUC) can require a utility to offer, through a competitive supplier, one or more alternatives to transitional standard offer service and standard service, including an alternative that includes more renewable energy than is required by law and one that promotes energy conservation.

The law requires electric suppliers to obtain part of their power from renewable resources. This provision is known as the "renewable portfolio standard" (RPS). The act (1) reduces the total amount of renewable power suppliers must obtain, (2) modifies what counts as renewable resources and where it can be produced, and (3) extends

the modified RPS to apply to utilities in the service they provide to customers who do not choose suppliers. The act extends to utilities other environmental provisions that currently apply to suppliers.

The act requires utilities to provide DPUC with information regarding the economic and environmental characteristics of their power. It provides for several other consumer information and education programs, including one to provide consumers information regarding suppliers, and a restart of DPUC's education program.

The act allows (1) DPUC to issue a request for proposals if it determines that the construction of new temporary generation facilities would reduce federally mandated transmission costs and (2) the costs of these facilities to be recovered in the systems benefits charge.

Finally, the act limits cable TV companies to a five-year franchise if they fail to meet certain requirements.

(PA 03-135, effective July 1, 2003, except for (1) the provisions on requests for proposals, the DPUC study, interconnection rates and standards, the reallocation of the adder, and a separate line on acts for federally mandated congestion costs, which are effective upon passage; (2) the cable TV provisions, which are effective October 1, 2003; and (3) the provisions on the RPS and

the systems benefits charge, which are effective January 1, 2004)

Moratorium on Long Island Sound Projects

This act extends for one year, until June 3, 2004, a moratorium on state agency consideration or final decisions on any electric power line, gas pipeline, or telecommunications crossing of Long Island Sound that requires either a certificate of environmental compatibility and public need from the Connecticut Siting Council or approval by the Federal Energy Regulatory Commission. The legislature initially approved a one-year moratorium in 2002.

(PA 03-148, effective on passage)

Long-Term Planning for Energy Facilities

This act expands the Connecticut Energy Advisory Board's (CEAB) responsibilities to include energy planning and the identification of alternative solutions to the state's energy infrastructure needs.

The act requires CEAB to develop guidelines by December 1, 2004 for evaluating alternative proposals for addressing the state's energy infrastructure needs. After that date, CEAB must issue a request for proposals (RFP) to identify alternative solutions when the

Siting Council receives an application for a certificate to build an energy facility. The act allows the board to issue an RFP on its own initiative to address needs identified in its annual plan. It requires CEAB to evaluate any proposals it receives, as well as the original application, using the guidelines it develops. CEAB must report its findings to the Siting Council; they become part of the record upon which the Siting Council must make its decision.

The act also (1) requires an applicant for a Siting Council certificate for an energy facility, starting July 1, 2003, to pay a fee of \$25,000, which goes to an account the act establishes to reimburse the potential host municipality or municipalities for expenses they incur in participating in the Siting Council process and makes many procedural changes and (2) imposes more stringent council approval standards for underwater transmission lines and changes the decision criteria for other energy and telecommunications facilities regulated by the council, starting July 1, 2003.

(PA 03-140, effective July 1, 2003, except (1) the provision on siting temporary generation facilities is effective on passage and (2) the provisions related to RFP and the applicant's submission to CEAB of

information provided to a municipality are effective October 1, 2004)

LABOR

Access To Electronically Recorded Personnel Files

This act adds electronic mail and facsimiles to the documents a private employer must keep in an employee's personnel file. By law, if an employer keeps personnel files, an employee's file must contain papers, documents, and reports that are, or once were, used by the employer to determine the employee's eligibility for employment, promotion, additional compensation, transfer, termination, or disciplinary or other adverse personnel action. Such documents include employee evaluations or reports relating to the employee's character, credit, and work habits. By law, employers must allow an employee, upon written request, to inspect his own personnel file.

(PA 03-5, effective October 1, 2003)

Group Health Insurance for Early Retirees

This act requires group health insurance plans to give people an option to continue their group coverage at their own expense if they quit their job, take a leave of absence, or reduce their hours

because they become eligible to receive Social Security benefits. This coverage must be available to the employee and his dependents until he becomes eligible for Medicare. Under federal law, people can retire with a reduced Social Security benefit at age 62, but are not eligible for Medicare until age 65 unless they are disabled.

(PA 03-77, effective October 1, 2003)

Structured Settlements

This act makes a number of changes to the law governing the arrangement for periodic payment of damages by a settlement or judgment in a personal injury or workers' compensation claim (i.e., transfer of structured settlement payments). The payee is the person who receives the payments and the obligor is the person obligated to make the periodic payments. In a transfer of structured settlement payments, the payee gives the right to receive the payments to a transferee.

Under prior law, the transferee had to make certain disclosures to the payee before entering a transfer agreement and a court had to approve the transfer. The act:

1. changes the disclosure requirements and requires them to be made at least three, rather than 10, days

before entering a transfer agreement;

2. requires the transferee, rather than the payee, to seek approval of the transfer and give notice to interested parties;
3. allows approval by a responsible administrative authority, as well as a court;
4. expands the types of transfers subject to the approval requirements;
5. includes more specific requirements for approval;
6. specifies certain consequences of a transfer;
7. alters the jurisdiction and notice requirements for the hearing;
8. includes rules about disputes, life-contingent payments, penalties, and liability; and
9. changes some definitions.

The act's provisions apply to transfer agreements executed after September 30, 2003. The act does not authorize a transfer that violates any law and does not imply that any transfer under an agreement before October 1, 2003 is valid or invalid.

As under prior law, these requirements for valid transfers cannot be waived.

(PA 03-110, effective October 1, 2003)

Expanding State Employee Health Plan Coverage to Small Employers

This act adds employees of small employers to the list of those for whom the comptroller, with the attorney general and the insurance commissioner's approval, is authorized to arrange group hospital, medical, and surgical health insurance under the state employee health plan. Under the act, a small employer can, on average, have no more than 50 employees, at least half of whom must be employed in the state.

The act requires (1) any coverage arranged for small employers to continue to be underwritten according to the small employer community rating law and (2) small employers to comply with the same state employee plan participation requirements that apply to employees of community action agencies, nonprofit corporations, and municipalities.

(PA 03-149, effective on passage)

Employee Assistance Program

This act prohibits anyone from requiring an employee assistance professional or employee to disclose any information or records concerning or confirming the employee's voluntary participation in an employee assistance program (EAP)

sponsored or authorized by the employer. Existing law prohibits anyone from requiring state employees to disclose information or records about their participation in an EAP sponsored or authorized by the state.

The act prohibits an EAP, including its agents and representatives, from disclosing any information or records about an employee's voluntary participation in a program without the person's prior written consent, unless disclosure is necessary to prevent harm to the employee or others. Records of state employees, who already have this written consent protection, also are subject to disclosure when necessary to prevent harm under the act.

(PA 03-187, effective October 1, 2003)

Apprenticeship Training

This act requires anyone sponsoring an apprenticeship program registered with the DOL as of July 1, 2003 to pay an annual \$30 registration fee for each apprentice participating in the program until the apprenticeship is completed and the participant receives a journey person card, if required, or the program is cancelled by the sponsor or deregistered by the DOL for cause, whichever is earlier.

(PA 03-207, effective upon passage)

Using Sick Time for Family and Medical Leave

This act allows private-sector employees to use up to two weeks of sick time while on leave under the state's Family Medical Leave Act (FMLA). It prohibits employers from denying such use or firing, threatening to fire, demoting, suspending, or in any way discriminating against an employee who uses or tries to use sick leave for FMLA purposes. The new leave provision allows an employee (1) to attend to the serious health condition of a child, spouse, or parent or (2) for the birth or adoption of a child.

Under prior law, employers could, but were not required to, allow employees to use accumulated sick time to attend to the serious health condition of a child, spouse, or parent. The act and existing law apply to private employers with more than 75 employees. The act applies only to employers with written policies to pay employees who miss work due to illness. Its definition of sick leave excludes compensation for missing work that is provided through an employer's plan, such as, short- or long-term disability insurance.

The act allows an employee aggrieved by a suspected violation of the act to file a complaint with the labor commissioner, who must hold a

hearing on the matter and provide each party with written notification of his decision.

(PA 03-213, effective October 1, 2003)

Calculation of Overtime Payments

Prior law permitted "variable rate" overtime for certain employees subject to overtime rules. This act prohibits variable-rate overtime for such employees if they (1) earn both salary and commission and (2) are employed as delivery drivers or sales merchandisers.

(PA 03-239, effective October 1, 2003)

Whistleblowing by Health Care Facility Employees and Reports by Employers Regarding Health Emergencies, Diseases or Hazards in a Workplace

This act requires employers to notify employees of potential risks from a health emergency, disease cluster, or imminent hazard and recommended measures to reduce the associated risks.

It also provides protections against discriminatory treatment of, or retaliation against, employees of a health care facility who submit a complaint, or initiate or cooperate in a government investigation or proceeding related to conditions, care, or service issues at that

facility. It requires a health care facility that discriminates or retaliates against an employee to reinstate him and reimburse him for lost wages, lost work benefits, and any reasonable legal costs he incurs. It specifies that its provisions and remedies are not exclusive and are in addition to others available in statute or common law.

The act also requires the Department of Public Health (DPH) to adopt regulations on minimum and maximum temperatures for areas in nursing homes and rest homes. They may be based on standards set by national public or private entities after research into appropriate temperature settings to ensure residents' health and safety. DPH must make these recommendations available to nursing homes, rest homes, and the public, and post them on its website.

(PA 03-272, effective October 1, 2003)

LAND USE AND ENVIRONMENTAL REGULATION

Pollution Abatement

By law, people, companies, and municipalities must have a Department of Environmental Protection (DEP) permit to discharge any water, substance, or material into state waters, and the attorney general may file an action in court to halt an illegal

discharge. This act authorizes the DEP commissioner to request that the attorney general ask a court to order the clean-up of the effects of an illegal discharge. By law, the attorney general must bring these actions in Hartford Superior Court, and such requests take precedence over other civil actions.

(PA 03-125, effective July 1, 2003)

Municipal Land Use Administrative Review Processes

This act standardizes the timeframes under which land use commissions must act on applications and the requirements under which they must notify the public and other parties about the public hearings they hold on these matters. In doing so, it changes the timeframes for wetlands commissions to act on applications and the extent to which all land use commissions can extend the timeframes for acting on applications. The act also makes technical changes.

The act requires sewer districts and water pollution control authorities to act on certain applications or requests within 65 days after the date they were received. This timeframe applies to requests to determine the sewer capacity of proposed land uses, approvals for sewer connections the applicant must pay, and any other applicant-

funded proposal for treating or disposing of wastewater. These bodies can extend this timeframe if the applicant agrees. The act does not limit the number of extensions they can request, but it does limit the total number of days for all extensions to 65.

(PA 03-177, effective October 1, 2003 and applicable to land use applications filed on or after that date)

Planning and Zoning Commissions and The Location of Auto Dealers, Repairers, Junkyards and Gasoline Stations and Adoption of a Rehabilitation Subcode

This act explicitly allows municipal land use and building agencies and their agents to conduct a pre-application review on a proposed project with the applicant at his request. The review and any results or information obtained from it (1) are not binding on the applicant or the agency or official authorized to conduct the review and (2) cannot be appealed under the statutes. Agencies can conduct the pre-application review jointly, separately, or in any combination.

The act eliminates the need to obtain certain local approval for certain motor vehicle-related land uses and repeals related notice, hearing, and fee requirements. It allows zoning and planning and zoning commissions, as well as legislative bodies and certain

officials, to approve the location of gas stations. It also eliminates the need for a junkyard to obtain a Department of Motor Vehicles (DMV) license as a condition of obtaining local land use approval.

By law, the state building inspector and the Codes and Safety Committee, in consultation with the public safety commissioner, must revise the state building and fire codes to emphasize performance, rather than design specifications. As part of this mandate, the inspector and committee must develop separate standards for building rehabilitation. The act instead requires the development of a rehabilitation subcode, which must include provisions to identify and standardize economically feasible rehabilitation standards and modifications that ensure public health, safety, and welfare and that protect the environment. It requires the commissioner to develop regulations by January 1, 2005 to implement these provisions.

(PA 03-184, effective October 1, 2003)

Environmental Quality Programs

This act makes additional polluted property eligible for assessment and remediation under the Urban Sites Remedial Action Program and changes the conditions under with the DEP

commissioner may remediate particular properties. It also excludes from Transfer Act requirements the conveyance of a hazardous materials “establishment through foreclosure of a municipal tax lien and makes other changes to the Transfer Act.

(PA 03-218, effective July 1, 2003)

OCCUPATIONS

Occupational Tax on Attorneys

The act extends the annual \$450 occupational tax on attorneys admitted to practice in Connecticut to attorneys admitted to practice here temporarily under court rules as attorneys *pro hac vice* to conduct a particular case. The act requires such attorneys to file an occupational tax return with the DRS commissioner and pay the tax for any year in which they are temporarily admitted and practicing law in the state.

(PA 03-2, effective upon passage)

Broadcasters’ Immunity

This act gives immunity to broadcasters participating in the Amber Plan for damage claims based on emergency alerts and information they broadcast concerning the abduction of a child. The information covered under the act includes descriptions of the abducted

child and suspected abductor and the circumstances of the abduction. This information is covered only when it was provided to the broadcaster by a law enforcement agency.

(PA 03-11, effective October 1, 2003)

Immunity for Professional Engineers and Regulation of Home Improvement Contractors

This act gives professional engineers who volunteer their services in a declared emergency immunity from civil damages under specified conditions. Also, it prohibits the motor vehicles commissioner from issuing a commercial motor vehicle registration to someone found by the consumer protection commissioner to be acting as a home improvement contractor without either being registered or participating in the home improvement guaranty fund.

(PA 03-260, effective October 1, 2003, except the provision concerning the Home Improvement Act takes effect on July 1, 2005)

PUBLIC HEALTH

Asbestos Abatement

This act establishes fees for certifying asbestos abatement workers and site supervisors, as well as for approval of asbestos-related training and refresher

training programs. It also allows for Connecticut certification by endorsement for certain out-of-state workers and supervisors.

By law, asbestos abatement workers and site supervisors must complete a Department of Public Health (DPH)-approved training program and be certified by DPH. The act establishes initial and annual renewal license fees of \$25 for an asbestos worker certificate and \$50 for a site supervisor certificate. It allows DPH to certify a person licensed or certified in another state with standards substantially similar to Connecticut's and who is not facing any unresolved complaints or pending disciplinary actions.

The act establishes a \$500 fee for each application or reapplication to DPH for approval of training programs for asbestos abatement workers, asbestos abatement site supervisors, and asbestos consultants. It also establishes a \$250 application fee for DPH's approval or reapproval of refresher training programs.

(PA 03-87, effective October 1, 2003)

Hospital Billing Practices

This act makes a number of changes to the laws governing hospital bed funds, debt collection practices, and services to, and payment for, uninsured patients.

The act:

1. adds more detailed requirements to hospitals' filing of free care and reduced care information with the Office of Health Care Access and requires them to file annual debt collection reports with it;
2. requires already mandated public notices and written summaries about hospitals' bed funds (which are used to pay for care for uninsured patients) to be in English and Spanish, describe other free or reduced-cost hospital policies concerning the indigent, and notify patients that they can reapply if rejected;
3. requires hospitals to require their collection agents to include a summary of the bed fund policy in all bills and collection notices;
4. prohibits referral to a collection agent or initiating an action against a patient for fee collection unless certain conditions are met;
5. requires hospitals and others involved in debt collection to discontinue such activities when they learn that the debtor is eligible for bed funds or other financial assistance;
6. limits prejudgment and postjudgment interest on debt arising from hospital services to 5% per year;
7. provides a \$125,000 homestead exemption in the

- case of a money judgment for hospital services;
8. requires that an order for installment payments on a debt for hospital services and a default on those payments occur before a judgment creditor can apply to collect the judgment; and
 9. specifies that compliance with the installment payment stays any property execution or foreclosure.
- (PA 03-266, effective October 1, 2003)

REAL ESTATE

Real Estate Brokers and Salespersons

This act increases from 30 to 60 the minimum number hours of classroom study in real estate principles and practices applicants for real estate broker.

(PA 03-14, effective October 1, 2004)

Another act prohibits the commissioner of consumer protection from disapproving (1) schools, institutions, or organizations that offer current real estate practice and licensing law courses or (2) the courses themselves solely because they are offered or taught by electronic means.

(PA 03-39, effective October 1, 2003)

Hazardous Waste Transfer Liability

This act exempts from the Transfer Act a person appointed by the Superior Court or any other court to sell, convey, or partition real property, or as a trustee in bankruptcy. The Transfer Act imposes disclosure and other procedural requirements and certain civil liability in connection with the transfer of parcels of land that might be contaminated by hazardous materials. The Transfer Act requires owners and others associated with the transfer of certain land to make specific disclosures to the purchaser about whether releases of hazardous waste have occurred on the property.

(PA 03-82, effective October 1, 2003)

Real Estate Market Analyses

This act allows real estate brokers and salesmen to be compensated for estimating the value of real estate as part of a market analysis. Under current practice, real estate brokers and salesmen estimate the value of real estate as part of a market analysis in connection with (1) a prospective listing or sale or (2) providing information to the seller or landlord under a listing agreement or to a prospective buyer or tenant under a buyer or tenant agency agreement. The act allows brokers and salesmen

to perform these analyses on whatever terms the owner or his designee and the broker or salesperson agree to. By law, the estimate of value must not be referred to or construed as an appraisal.

When a fee is charged, the act requires owners of residential property consisting of four or fewer family units to be given a credit against any compensation they owe the broker or salesmen under the listing contract.

(PA 03-101, effective October 1, 2003)

TAXES

FY 2003 Modifications

This act raises General Fund revenues for FY 2003 by raising several state taxes. It:

1. caps the price of clothing and footwear exempt at the sales tax from items costing no more than \$50 instead of \$75;
2. extends the sales tax to for-profit health and athletic clubs, newspapers, and magazine subscriptions (see PA 03-4 below);
3. imposes a 3% sales tax on advertising services for developing media and cooperative direct mail advertising;
4. increases the cigarette tax by 40 cents per pack from \$1.11 to \$1.51;
5. imposes a 20% tax surcharge for 2003 on corporations,

limited liability companies and partnerships, and S corporations; and

6. from March 15, 2003 to June 30, 2004, increases the municipal real estate conveyance tax from 0.11% to .25% of the sale price and gives 18 towns the option of increasing their municipal real estate conveyance tax by an additional quarter point to 0.5%.

(PA 03-2, with various effective dates)

Another act makes changes to various taxes administered by the Department of Revenue Services (DRS). It:

1. clarifies the carry-forward provisions of the research and development credit against the corporation tax for biotechnology companies;
2. disallows the "sale for resale" sales and use tax exemptions when a purchaser of taxable services resells them to an affiliate;
3. relaxes qualifications for fishermen's sales tax exemptions;
4. restricts certain motor fuel tax refunds to taxes paid on fuel used in Connecticut;
5. to match federal law, phases down required annual depreciation add-backs to Connecticut adjusted gross income (AGI) for those with S corporation income subject to the personal income tax;

6. expands the commissioner's authority to require taxpayers to make payments by electronic funds transfer and to file tax returns, statements, and documents by computer or other new technology as it is developed; and
7. increases business tax credits for investments in certain programs under the Neighborhood Assistance Act and in day care facilities primarily for employees' children from 40% to 60% of the amount invested.
(PA 03-225, with various effective dates)

Corporation Tax

Business Tax Surcharge.

For 2003, the act imposes a 20% surcharge on (1) the corporation tax and (2) the annual \$250 tax on limited liability companies (LLCs), limited liability partnerships (LLPs), limited partnerships (LPs), and S corporations. The surcharge is due, payable, and collectible as part of each company's total tax for the year. Companies subject to the corporation tax must calculate the surcharge based on their tax liability before credits.

The act requires corporation taxpayers to adjust their June 2003 installment payments to incorporate its changes in their liability for the 2003 income year. It thus overrides a safe-harbor law requiring corporation tax payers to pay installments equal

to (1) 90% of their liability for the current income year or (2) 100% of their liability for the previous year, whichever is less. Under the safe harbor law, the percentages due in each quarterly installment are 30% for the first quarter, 40% for the second, 10% for the third, and 20% for the fourth.

(PA 03-2, effective upon passage and applicable to income years or tax years, as appropriate, starting on or after January 1, 2003; upon passage for the provision concerning the corporation tax installments due in June 2003.)

Research and Development

Tax Credit. This act temporarily reinstates eligibility for research and development (R&D) corporation tax credit refunds for companies that pay the alternative capital base corporation tax for a year when they report no net income. By law, all companies must pay a tax of 7.5% of net income or 3.1 mills per dollar of capital base, whichever is higher, but no less than \$250. Thus, the minimum tax a corporation pays is either \$250 or the alternative capital base tax, whichever is more.

(PA 03-120, effective upon passage and applicable to income years starting on or after January 1, 2002)

Sales and Use Tax

Tax Extensions. Starting April 1, 2003, the act imposes a 3% sales and use tax on sales of advertising or public relations services for developing media and cooperative direct mail advertising. Taxable services include layout, art direction, graphic design, mechanical preparation, and production supervision. Under DRS policy, “cooperative direct mail advertising” means advertisements or coupons from several businesses sent in one envelope or bundle to potential customers in a specific area.

As of April 1, 2003, the act also extends the 6% sales and use tax to sales of the following items and services:

1. health and athletic club services, unless provided by a municipality or nonprofit organization or unless the charges for the services are included in club dues or fees already subject to the dues tax;
2. newspapers; and
3. magazine subscriptions.

The act limits the sales tax exemption for clothing and footwear to items costing less than \$50. Prior law exempted clothing and footwear costing less than \$75.

(**PA 03-2**, effective April 1, 2003 and applicable to sales on or after April 1, 2003)

Sales Tax On Newspapers.

PA 03-2 imposes the sales and use tax on newspapers and magazines sold on or after April 1, 2003. This act requires newspaper producers and wholesalers to collect the 6% sales tax when they transfer newspapers to vendors who do not sell any other taxable items. The act allows these vendors to pass the tax along to their customers by adding it to the retail sales price of the newspapers without remitting the amount to the state.

(**PA 03-4**, effective upon passage and applicable to sales occurring on or after April 1, 2003)

Sales Tax Bond

Requirements for Nonresident

Contractors. This act changes the requirements for posting security to guarantee that Connecticut taxes are paid when a nonresident (out-of-state) contractor carries out a contract in Connecticut. It also extends the security requirements to all business dealings with nonresident contractors, not just contracts where tangible personal property is consumed or used. It thus applies its tax security requirements to contracts with nonresident contractors that involve only services.

The act requires a customer dealing with a nonresident contractor to withhold a share of the contract price and pay it to

the DRS commissioner. It requires DRS to deduct from the customer's deposit any taxes due as a result of the contractor's activities and eliminates the customer's liability for taxes payable on the project once he makes the deposit and gets a DRS receipt for it.

The act eliminates (1) a provision requiring the nonresident contractor instead of the customer to post security and (2) the option of posting a bond rather than depositing part of the contract price. It also eliminates lower security requirements for customers who are direct pay permit holders. (Direct pay permit holders pay sales and use taxes directly to DRS rather than through vendors.)

Finally, the act changes the deadlines for posting security and defines a nonresident contractor for purposes of the tax security requirements.

(PA 03-147, effective July 1, 2003 and applicable to contracts entered into on or after that date)

Cable T.V. Gross Earnings Tax

The act requires cable t.v. companies to pay their 5% gross earnings tax on a quarterly rather than an annual basis, starting January 1, 2003. It requires companies to file tax returns for quarters ending March 31, June 30, September 30, and December 31 by the last day of the following month, instead of every April 1 for the

year ending on the preceding December 31. Quarterly returns must contain the amount of the company's taxable gross earnings and any other information the DRS commissioner requires. Annual returns had to contain the company's taxable gross earnings, name, and location.

The act specifies that it does not affect annual returns and taxes for the 2002 tax year due on April 1, 2003 under the prior law.

Starting with FY 2003, the act allows the comptroller to accrue to the preceding fiscal year all cable television gross earnings tax payments postmarked by July 31 or, if that is a weekend or holiday, the following business day.

(PA 03-2, effective on passage and the quarterly tax payment requirement applies to calendar quarters starting on or after January 1, 2003.)

Property Tax

This act allows applicants who miss filing deadlines for state-mandated and state-reimbursed five-year property tax exemptions for manufacturing or service facilities, certain machinery and equipment, and commercial trucks to apply to the local municipality rather than the General Assembly for deadline waivers and bars a municipality from receiving any state payment in lieu of taxes for revenue losses from retroactive exemptions it

grants. It also allows towns to use any legal means, other than a tax lien, to collect delinquent property taxes from a state property lessee.

(PA 03-269, effective upon passage)

Department of Revenue Services' Administrative Procedures

This act limits an employer's refund or credit for income tax withholding only to the overpayment he failed to withhold from an employee's pay.

It also allows the DRS commissioner to place tax liens on intangible items owned by delinquent taxpayers as well as on his "goods." Under the act, the commissioner may place liens for unpaid taxes on accounts, chattel paper, instruments, documents, investment property, deposit accounts, commercial tort claims, and general intangibles, as defined in the Uniform Commercial Code. Such items include certain rights or claims to monetary payments, bank accounts, security interests, investments, and software. The act also expressly allows the commissioner to file a lien against a debtor in both this state and another if she decides it would benefit Connecticut.

(PA 03-107, effective in years beginning on or after January 1, 2003 for the withholding

provision and July 1, 2003 for the tax liens provision)

WINE, LIQUOR, AND CIGARETTES

Cigarette Tax

This act increases the cigarette tax by 40 cents per pack, from \$1.11 to \$1.51 (55.5 to 75.5 mills per cigarette), starting March 15, 2003.

It also imposes a 40-cent "floor" tax on each pack of cigarettes (20 mills per cigarette) that dealers and distributors have in inventory at the close of business or at 11:59 p.m. on March 14, 2003, whichever is later. By April 15, 2003, each dealer and distributor must report to DRS the number of cigarettes in inventory as of that time and date. Failure to file the report by the due date is grounds for the department to revoke a dealer's or distributor's license, and willful failure to file subjects the dealer or distributor to a fine of up to \$1,000, one year in prison, or both. A dealer or distributor who willfully files a false report can be fined up to \$5,000, sentenced to between one and five years in prison, or both.

(PA 03-2, effective passage. The tax increase applies to cigarettes sold on and after March 15, 2003.)

Another act:

1. subjects roll-your-own tobacco to the tobacco products tax rather than the cigarette tax;
2. specifies a minimum type size for tax warnings in ads for untaxed cigarettes that appear in Connecticut; and
3. requires someone buying a cigarette distributor's business or inventory to withhold money from the purchase price to cover any unpaid cigarette taxes.

(PA 03-225, with various effective dates)

Ownership of Retail Liquor Permit Premises

This act eliminates a requirement for the former permittee of a retail establishment to file an affidavit with the Department of Consumer Protection (DCP) in connection with a new owner permit application. This affidavit must list all outstanding bills from liquor wholesalers.

The act modifies the information that the new owner applicant must provide to DCP in an affidavit with the permit application. Under prior law, the affidavit had to state that all listed obligations had been paid unless, after a hearing, DCP found that the former permittee abandoned the business and did not receive any payment or other consideration for doing so. The act instead requires the applicant

to file an affidavit stating either that (1) all of the former permittee's bills have been paid or (2) he did not receive direct or indirect payment or other consideration from the former permittee. It defines "consideration" as the receipt of legal tender or goods or services to purchase the liquor remaining on the premises, for which bills remain unpaid.

The act authorizes a liquor wholesaler who alleges that the applicant received payments or other consideration from his predecessor or that there are outstanding bills for liquor to file an affidavit with DCP along with supporting documentation. It authorizes DCP to determine whether a hearing is warranted.

(PA 03-34, effective October 1, 2003)

Statewide Smoking Ban

This act bans smoking in most workplaces where five or more people work, except in specially ventilated smoking rooms; inside restaurants, taverns, cafes, and other establishments with liquor permits; and in state and municipal buildings, most health care institutions, and private college and university dorms. (It was already banned in public college dorms). It allows smoking in outdoor areas of alcohol-serving establishments under certain conditions. It permits smoking in only 25% of a hotel or

motel's guest rooms. The ban does not apply to private clubs whose liquor permits were issued before May 1, 2003.

(PA 03-45, effective October 1, 2003 with the ban on smoking in taverns and cafes effective April 1, 2004 (another act delays the ban in bowling alley bars until April 1))

The Dram Shop Act

The Dram Shop Act makes someone who sells liquor to an intoxicated person liable if that person injures someone or property because of the intoxication. It does not require proof that the seller acted negligently. This act increases the maximum amount an injured person can recover under the act from \$20,000 to \$250,000 for injuries to a single person and from \$50,000 to \$250,000 in aggregate for injuries to more than one person.

The act eliminates an injured person's right to sue a seller for negligence in selling alcohol to someone at least age 21. The Connecticut Supreme Court recently established a common law (judge made) right for a person to file a negligence lawsuit against a seller.

(PA 03-91, effective upon passage)

Wine Ordered with Restaurant Meals

This act allows a restaurant patron to take from the premises one open wine bottle if he bought and drank part of it with a full course meal eaten at the restaurant. The restaurant's permittee or his agent or employee must first securely seal and put the bottle in a bag. Prior law permitted on-premises consumption only.

(PA 03-228, effective October 1, 2003)

The Liquor Control Act

This act makes several changes to state liquor laws. It:

1. allows the Department of Consumer Protection to suspend, revoke, or refuse to grant or renew a permit for some grocery stores, based on their location or the character of their premises;
2. postpones, from October 1, 2003 to April 1, 2004, the time within which bars in bowling establishments must comply with the no-smoking provisions of PA 03-45;
3. allows all types of alcohol, rather than wine only, to be sold in 100 milliliter bottles, and specifies that 96 bottles of this size constitute a case; and
4. requires liquor permit applicants who are currently required to notify the public about their applications to

follow the same procedures when they intend to change the type of live entertainment they offer as part of a permit renewal application.

(**PA 03-235**, effective October 1, 2003, except the provisions concerning 100 milliliter bottles are effective upon passage)

Unlawful Delivery Of Cigarettes

This act:

1. prohibits companies that sell cigarettes from shipping them to any Connecticut consumer who is not (a) a state-licensed cigarette distributor or dealer or named on a published Department of Revenue Services (DRS) list of licensed distributors and dealers; (b) an export warehouse proprietor or customs bonded warehouse operator; or (c) a local, state, or federal government employee or agent acting within his official duties;
2. prohibits common or contract carriers from knowingly delivering cigarettes to a residence and prohibits carriers or anyone else from delivering cigarettes to anyone in Connecticut they reasonably believe is not one of the entities authorized to receive them;

3. makes delivery to an authorized recipient conditional on the recipient's signing and acknowledgement of their receipt and presenting proper proof of age;
4. requires sellers to plainly and visibly mark packages with the word "cigarettes" when they do not ship or transport them in the cigarette manufacturer's original container or wrapping;
5. starting October 1, 2004, requires tobacco manufacturers that directly or indirectly sell cigarettes in Connecticut to be licensed by DRS and pay an annual fee of \$5,000;
6. sets civil and criminal penalties for violations; and
7. requires DRS to publish a list of every cigarette distributor or dealer on its website.

(**PA 03-271**, effective July 1, 2003, except for the cigarette manufacturer licensing requirement, which takes effect October 1, 2004)

MJ/JR:ro