

Office of Legislative Research
Connecticut General Assembly

 **OLR MAJOR ACTS**

June 10, 2011

2011-R-0235
(Revised)



NOTICE TO READERS

These summaries are intended to describe briefly the most significant, far-reaching, and publicly debated acts passed by the General Assembly in its 2011 regular session.

Not all provisions of the acts are included. Our 2011 Public Act Summary book, which contains detailed summaries of all public acts, will be available later this summer.

The Major Acts are posted on the Intranet at <http://cgalites/olr/> and on the Internet at <http://cga.ct.gov/olr/>. The Office of Legislative Research also produces a number of specific reports highlighting timely legislation in various subject areas, including acts affecting children, senior citizens, the environment, and business. These reports are also available at the above websites.

Table of Contents	
Biennial Budget	2
Banking	3
Business and Labor	4
Children	5
Criminal Justice	6
Education	8
Elections	9
Energy	9
Environment	10
Finance	11
Health Care Reform	12
Higher Education	13
Human Services	14
Judicial Matters	14
Municipalities	14
Seniors	15
Taxes	16
Transportation	17
Veterans	19

BIENNIAL BUDGET

The biennial budget appropriates \$20,140.8 million in FY 12 and \$20,399.9 million in FY 13 to state agencies. The appropriations are supported by revenues of \$20,229.7 in FY 12 and \$20,954.8 million in FY 13.

Major Revenue Policy Changes

Additional General Fund revenue of \$2 billion in FY 12 and \$1.8 billion in FY 13 is derived from taxes, including those on health providers; licenses, fees, permits, and transfers; and federal funds.

Excluding the health provider tax increases on nursing homes, intermediate care facilities for the mentally retarded and hospitals, PA 11-6 raises taxes by \$1,492.2 million in FY 12 and \$1,356.8 million in FY 13. These totals are offset by earned income tax credits of \$110.2 million in FY 12 and 116.5 million in FY 13 (see TAXES section below).

Major Appropriations Items

Agency Consolidations. PA 11-6 as adjusted by HB 6652 consolidates 28 state agencies and creates five new agencies. Thus reducing the total number of state agencies from 81 to 58 (a 28% reduction). It is estimated that the consolidations will save \$9 million in FY 12 and \$9.6 million in FY 13, and eliminate 68 positions. The savings

includes salaries, benefits, and associated expenses.

Hospital Tax. PA 11-6 and HB 6652 impose a new user fee on hospital inpatient and outpatient revenue. This fee is expected to raise \$349.1 million annually. The budget appropriates \$399.5 million to the state's hospitals via the Disproportionate Share Hospital account and supplemental Medicaid payments. This appropriation generates an additional \$199.75 million in federal matching funds. In total the state gains \$149.4 million annually, while hospitals realize a net gain of \$50.4 million.

SEBAC Labor Concessions. HB 6652 includes provisions related to the agreement between the state and the State Employees Bargaining Agent Coalition (SEBAC). The budget assumes a savings lapse of \$700.7 million in FY 12 and \$901.2 million in FY 13 as a result of the provisions in the agreement. The budgeted savings are attributable to various provisions which impact wages, longevity, retirement, health benefits, technology, and other savings initiatives. In general, the provisions apply to unionized employees and non-unionized employees, individuals hired on or after July 1, 2011, and individuals who retire on or after September 2, 2011.

Spending Cap. The budget is under the spending cap by \$1 million in FY 12 and \$278.4 million in FY 13.

Growth Rate. The growth rate for all appropriated funds is 4.46% over FY 11 estimated expenditures in FY 12 and 1.29% in FY 13.

([PA 11-6](#), as amended by [HB 6652](#), effective on various dates.)

Other Related Budget Topics

Generally Accepted Accounting Principles. Starting in FY 14, a new law requires the state's budget and annual financial statements to be prepared and implemented in accordance with generally accepted accounting principles (GAAP). It also requires the comptroller to establish a deferred charge for the aggregate accrued and unpaid expenses and liabilities resulting from the move to GAAP as of June 30, 2013, and requires the state to pay off these deferred charges in equal annual installments over 15 years. The new law also requires the comptroller to reserve the amounts needed to pay the annual increments from any General Fund surplus occurring in FY 14 and after before allocating the surplus to other uses as required by law.

([PA 11-48](#), effective July 1, 2011)

BANKING

Foreclosure and Related Issues

A new law makes changes in several programs and laws related to foreclosure, banking, and housing. Some of the most significant changes include:

1. extending the judicial branch's foreclosure mediation program's sunset date by two years and expanding it to properties owned by religious organizations;
2. excluding highly compensated mortgage loan originators (other than those working solely from an employer's office) from the state's overtime pay requirements;
3. codifying into state law the federal Protecting Tenants at Foreclosure Act and extending its protections three years beyond the federal act's sunset date;
4. prohibiting an expiration date on a general-use prepaid card's redeemable funds but allowing an expiration date for the card itself if certain requirements are met; and
5. expanding the scope of the existing registration requirement for owners of uninhabited residential property obtained through

foreclosure, and establishing a new registration requirement that applies when the foreclosure process begins. ([sHB 6351](#), effective on various dates)

BUSINESS AND LABOR

Business Law Reform

The legislature passed a law based on the Model Entity Transactions Act to encourage businesses to choose to undertake mergers in Connecticut rather than in other states. It creates a mechanism for certain business entities to change their type through mergers, conversions, and interest exchanges. It also allows domestications, through which a business entity becomes an entity of the same type in another jurisdiction. Prior law authorized some, but not all, of the transactions covered by the new law.

([sHB 6497](#), effective January 1, 2014)

Brownfields Development

This session, the legislature took additional steps to encourage individuals and organizations to clean up and redevelop brownfields. A new law protects the state and third parties from liability when investigating and cleaning up brownfields according to state standards. It also allows the environmental protection (DEP)

commissioner to reclassify surface and ground water starting March 1, 2011 and exempts government agencies and private organizations from paying DEP fees when cleaning up brownfields.

([sHB 6526](#), effective various dates)

“First Five” Incentives

A new law creates the “First Five Program” providing substantial financial assistance for business projects creating jobs and developing facilities within certain timeframes. The assistance includes up to 100% funding under the Manufacturing Assistance Act and business tax credits. The program can fund up to five projects per year in FY 12 and FY 13.

([sSB 1001](#), effective July 1, 2011)

New Financial Incentive Programs

The legislature established new financial incentives programs for businesses and students. One program allows small manufacturers to defer taxes on the money they save for training workers and acquiring facilities and equipment.

The “Learn Here Live Here” program provides incentives to students enrolled in Connecticut colleges and universities to remain here after graduation. The incentives allow them to save

money for purchasing their first homes here.

([sHB 6525](#), effective various dates)

Paid Sick Leave

The legislature enacted a law requiring the provision of paid sick leave to certain service workers, making Connecticut the first state to do so. With certain exceptions, the law requires employers with 50 or more people in Connecticut to provide the service workers with paid sick leave at a rate of one hour per 40 hours worked. It applies to service workers who are paid by the hour and work in an occupation with one of 68 Standard Occupational Classification System titles named in the law, such as retail clerks, home health aides, cooks, food servers, and janitors.

Qualified service workers can begin accruing sick leave on January 1, 2012 and use it for (1) the worker's illness, injury, and related treatment; (2) the worker's child or spouse; or (3) reasons related to family violence or sexual assault. Employers that offer other types of paid leave that can be used for the same purposes and accrues at least as quickly are deemed to comply.

([PA 11-52](#), effective January 1, 2012)

CHILDREN

Child Abuse and Neglect

The legislature expanded the laws on reporting and investigating suspected child abuse and neglect, with particular focus on a school employee who is the alleged perpetrator and the local or regional school district's response. Among other things, the new law requires the Department of Children and Families (DCF) to create policies and provide trainings regarding mandated reporting, requires certain school personnel and the state education department to be notified when an alleged perpetrator is a school employee, and adds to school board's responsibilities when assisting DCF with investigations.

The new law also makes several changes to the use of, and reporting to, the DCF child abuse registry. It requires individuals to submit to a registry check when (1) applying for any public school position or (2) first applying for or renewing a state teaching certification and requires the state board of education to deny applications or revoke certificates of those applicants listed in the registry as an abuse or neglect perpetrator. It also allows certain information in the registry to be disclosed.

([sHB 5431](#), effective various dates)

Differential Response System

A new law allows the DCF commissioner to establish a differential response system that would enable the department, when it receives alleged abuse or neglect reports, to refer to community providers for family assessments and services, rather than investigate those cases that it classifies as presenting a lower risk. Under the law, when warranted, cases that are referred to family assessments can be referred for standard child protection services and vice versa. These referrals can only occur when there has been an initial safety assessment of the family's circumstances and criminal background checks have been performed on all adults involved in the report.

([sSB 1199](#), effective July 1, 2011)

CRIMINAL JUSTICE

DNA Testing

A new law requires law enforcement agencies to require anyone they arrest for any of 39 serious felonies to provide a DNA sample before they are released from custody if the arrestee (1) is a convicted felon and (2) has not provided a DNA sample. The law enforcement agency that makes the arrest sets the time and place for collecting, and collects, the sample. It must use available resources to do this.

The law expands the circumstances under which the Department of Public Safety's Division of Scientific Services must expunge a DNA profile from the DNA data bank and the State Police forensic laboratory must purge all records of it. It eliminates the requirement for offenders to request the expungement or purging.

([HB 6489](#), effective October 1, 2011)

Marijuana Possession

The legislature passed a law reducing the penalty for possessing less than one-half ounce of marijuana from a crime that carries a possible prison term to (1) a \$150 fine for a first offense and (2) a \$200 to \$500 fine for a subsequent offense. Three-time violators must participate in a drug education program, at their own expense.

The new law also reduces, from a crime to an infraction, the penalty for certain actions involving drug paraphernalia relating to less than one-half ounce of marijuana. People who commit a violation or infraction can pay the fine by mail rather than appearing in court, except for juveniles, who would go to juvenile court. The law requires a 60-day suspension of the driver's license of anyone under age 21 who is convicted of a violation or infraction under it.

([sSB 1014](#), most provisions take effect July 1, 2011)

Requirements for Bail Bond Agents and Professional Bondsmen

The legislature passed a new law that reforms the bail bond system. It expands surety bail bond licensing and appointment requirements. It establishes (1) bail bond solicitation, record retention, and reporting standards and (2) premium financing, build-up funds, and collateral security requirements and restrictions. It prohibits the practice of “undercutting” by requiring agents to certify under oath to the insurance commissioner that they charged the bond premium rates the commissioner approved. A violation of the law may result in license suspension or revocation, up to a \$5,000 fine, or both.

The law also (1) restricts bail bond solicitation by professional bondsmen in the same way as for surety bail bond agents, (2) establishes collateral security requirements for them, and (3) allows the public safety commissioner to examine professional bondsmen records.

([PA 11-45](#), effective October 1, 2011)

Risk Reduction Earned Credits For Inmates

A new law allows the Department of Correction (DOC) commissioner to award risk reduction earned credits up to five days per month for certain inmates, retroactive to April 1,

2006, to (1) reduce an inmate’s maximum prison sentence and (2) make inmates eligible sooner for release from prison under supervision. Inmates can earn credits for adhering to offender accountability plans, participating in eligible programs, or good conduct and obeying institutional rules (but this alone is not enough to earn credits). But, credits cannot reduce a mandatory minimum sentence.

The credits apply to inmates who were sentenced to prison for a crime committed on or after October 1, 1994 and committed to DOC custody on or after that date, but inmates convicted of the following crimes are ineligible for the credits: murder, capital felony, felony murder, arson murder, home invasion, and 1st degree aggravated assault.

([PA 11-51](#), effective July 1, 2011)

Videotaped Confessions

Under a new law, when someone is investigated for or accused of a capital felony or class A or B felony, any statement the person makes during a custodial interrogation at a place of detention is inadmissible as evidence against him or her in a criminal proceeding unless (1) the interrogation is electronically or digitally recorded and (2) the recording is substantially accurate and not intentionally altered. The presumption can be overcome under certain

circumstances and the law includes a number of exceptions to the recording requirement.

([SB 954](#), effective January 1, 2014)

EDUCATION

Charter School Educator Permits

A new law allows the education commissioner, starting in the 2011-12 school year, to issue a charter school educator permit to a charter school employee as a teacher or administrator without the required certification for the position. To qualify, the employee must (1) pass the same state qualifying examinations as an applicant for a state teaching or administrator certificate and (2) demonstrate effectiveness as a teacher or school administrator, as appropriate. The law limits the number of teachers and administrators who may hold the permit in any year to no more than 30% of a charter school's teachers and administrators combined.

([sSB 1104](#), as amended by [sSB 1160](#), effective July 1, 2011)

Minimum Budget Requirement (MBR)

For FY 12, a new act requires towns receiving Education Cost Sharing (ECS) grants to budget for education at least the amount they budgeted in FY 11 plus any reduction made to offset federal

money paid directly to their boards of education under the 2009 federal stimulus act. For FY 13, they must budget at least the amount they budgeted in FY 12. But, it allows a town to reduce its MBR (1) by up 0.5% of its prior year's budget appropriation if it has falling enrollment or, if it has no high school and pays tuition for fewer students to attend high school in other districts and (2) by an amount determined by the education commissioner if in FYs 11, 12, or 13, it permanently closes one or more schools because of falling enrollment in those schools.

The act bars a town from reducing its MBR if its school district has (1) either persistently failed to meet annual federal and state student achievement standards for reading or math or met the standards only through the alternate method known as "safe harbor" or (2) has a poverty rate for school-aged children that exceeds 10%.

([PA 11-48](#), as amended by [sSB 1160](#), effective July 1, 2011)

School Bullying and Cyberbullying

A new law expands the types of conduct that constitute school bullying and requires school officials to investigate and address it whether it occurs in or, in certain circumstances, outside of school. It expressly bars bullying based on the student's actual or perceived "differentiating" characteristics,

such as race, gender, sexual orientation, or physical appearance. It also bars “cyberbullying,” which is bullying using electronic communications or devices.

The law (1) requires all public school employees and certain school contractors to be annually trained in how to identify, intervene, and prevent bullying and youth suicide among students; (2) makes school principals responsible for investigating and addressing bullying incidents; (3) prohibits retaliation against those who report bullying; and (4) grants immunity to school boards, school employees, students, parents, and others against damage claims arising from good faith reports of, and responses to, school bullying. Finally, it requires each school board to adopt a safe school climate plan, each school to assess its school climate every other year, and the State Department of Education to establish a statewide network to provide resources, materials, and training on school bullying to school districts.

([sSB 1138](#), effective July 1, 2011)

ELECTIONS

The legislature passed two acts that make several changes to election laws. The first act makes electors with permanent disabilities eligible for permanent absentee ballot status. Until they are removed from the permanent

absentee ballot list pursuant to the law or from the town’s official registry list, or request not to receive the ballots, they receive an absentee ballot for each election, primary, and referendum in the municipality in which they are eligible to vote.

([sSB 939](#), effective upon passage)

The second act establishes procedures to address issues that may arise at polling places during a primary or election. It requires registrars of voters to (1) develop a municipal emergency contingency plan addressing, for example, ballot shortage solutions and (2) certify to the secretary of the state the number of ballots they order for each polling place, demonstrating that they have considered relevant factors. In the absence of a certification or a waiver approved by the secretary of the state, the law requires registrars to order one ballot for each registered voter. The law also authorizes the secretary to enter polling places, unless she is a candidate, and review them for election law compliance.

([PA 11-46](#), effective June 4, 2011)

ENERGY

Renewable Energy and Energy Efficiency

A new law requires the newly created Department of Energy and Environmental Protection (DEEP) to take several measures

to promote renewable energy and energy efficiency, including (1) studying the feasibility of establishing discounted electric and gas rates for low-income customers by reallocating existing support for these customers, (2) establishing a program to finance replacement residential heating equipment that is more energy efficient, and (3) allowing municipalities to establish a loan program to finance energy efficiency and renewable energy projects.

The law also (1) expands the resources that can go into the Clean Energy Fund to include private capital and revenues reallocated to the fund by the legislature; (2) expands the types of projects the fund can support to include electric and natural gas vehicle infrastructure, electricity storage, and the financing of energy efficiency; and (3) creates the Clean Energy Finance and Investment Authority to administer the fund, rather than Connecticut Innovations, Inc. This authority must establish a program to promote residential photovoltaic systems under which participants can receive an up-front payment or a payment tied to the power the systems produce.

([SB 1243](#), most provisions take effect July 1, 2011)

Power Plant Safety

The legislature responded to the fatal explosion at Middletown's Kleen Energy power plant in 2010 by enacting new measures to ensure power plant safety. The law prohibits the Connecticut Siting Council from issuing a certificate for power plant construction unless an applicant has (1) at least one special inspector to help the fire marshal review construction plans and inspect the facility during construction and (2) paid the fee to help train local fire marshals in power plant construction issues. The new law codifies former Governor Rell's Executive Order No. 45, which prohibits anyone from using flammable gas to clean or blow a power plant's gas piping. It also requires the council and certain state agencies to meet at least once during construction to discuss any known or potential safety issues at the power plant. Violators of the law may be subject to a fine of up to \$100,000, two years imprisonment, or both.

([sHB 5802](#), effective upon passage)

ENVIRONMENT

Help For Dairy Farmers

Legislators responded to economic conditions that are causing many dairy farmers to abandon their businesses and their land by making permanent

the agricultural sustainability account established in 2009, which supports a grant program for dairy farmers. The same law also makes permanent a \$10 increase (from \$30 to \$40) in the fee people pay when filing documents with town clerks and credits \$10 of each fee to the agricultural sustainability account.

([PA 11-48](#), effective July 1, 2011)

Bisphenol-A Receipt Paper Ban

Starting October 1, 2013, a new law bans the manufacture, sale, or distribution of thermal receipt or cash register receipt papers containing bisphenol-A (BPA) if the U.S. Environmental Protection Agency identifies a safe, commercially available alternative by June 30, 2013. If no alternative is identified, then the ban begins July 1, 2015. These papers include those a commercial entity uses to issue a mechanically produced record of a consumer transaction.

([sSB 210](#), effective October 1, 2013)

Paint Stewardship Program

The legislature created a new program for managing unused and unwanted architectural paint in the state. Paint producers are responsible for managing the program by establishing a representative organization that must develop a DEP approved-plan to handle the

paint. The program is funded through an assessment on each container of architectural paint sold in Connecticut to cover the cost of paint collection, transport, and processing. The law also requires producers or the representative organization to provide educational materials about the program to consumers, allows retailers to act as paint collection points, and establishes reporting requirements.

([PA 11-24](#), effective June 3, 2011)

FINANCE

Economic Recovery Revenue Bond Issuance Cancelled

In 2010, the legislature authorized the issuance of economic recovery revenue bonds to provide up to \$956 million in revenue for transfer to the General Fund. The bonds were to be paid back by (1) extending a per-kilowatt-hour surcharge (the competitive transition assessment or CTA) on electric company bills beyond the dates at which it would otherwise have expired and (2) diverting 35% of the revenue that would otherwise go to energy conservation.

A new act cancels the legislative authorization for the bonds and bars the use of any CTA charge to secure and pay them. It also eliminates the revenue diversion from the conservation program.

([HB 6652](#), effective upon passage)

HEALTH CARE REFORM

Health Care Partnership Plans

A new law requires the comptroller to offer employee and retiree health insurance coverage under “partnership plans” to (1) nonstate public employers starting January 1, 2012 and (2) nonprofit employers starting January 1, 2013. It allows the comptroller to offer these plans on a fully-insured or risk-pooled basis at his discretion. But, before doing so, he must receive written approval from the Health Care Cost Containment Committee and SEBAC.

([sHB 6308](#), most provisions take effect July 1, 2011)

Health Insurance Exchange

The legislature established the Connecticut Health Insurance Exchange as a quasi-public agency to satisfy requirements of the federal Patient Protection and Affordable Care Act. Under the law, a 14-member board manages the exchange, including operating an online marketplace where individuals and small employers (i.e., those with up to 50 employees) can compare and purchase health insurance plans that meet federal requirements beginning in 2014.

([PA 11-53](#), effective June 8, 2011)

New Health Insurance Rate Approval Process

The legislature established a new rate approval process for individual and small employer group health insurance companies, HMO’s, and hospital and medical service corporations. It requires small employer group health insurers to file risk classifications and premium rates with the insurance commissioner. (Prior law only required individual insurers to do this.) It also (1) increases the time required before a new rate can go into effect, (2) requires the department to post rate filings on its website and provide a 30-day public comment period, (3) requires the insurance commissioner to adopt regulations to prescribe standards to ensure that rates are not excessive, inadequate, or discriminatory. The law also requires, from January 1, 2012 to December 13, 2013, a symposium on a proposed rate increase of more than 10% if the healthcare advocate and attorney general request it within a certain timeframe. The commissioner is only required to hold, in any year, (1) 10 symposiums for individual and small employer group health insurance rates and (2) five symposiums for long-term care rates.

([sSB 11](#), effective January 1, 2012)

Other Health Care Reform Initiatives

A new law establishes an Office of Health Reform and Innovation (OHRI) and Sustinet Health Care Cabinet in the lieutenant governor's office. OHRI, directed by the governor's special advisor on health care reform, must coordinate and implement the state's responsibilities under state and federal health care reform. This includes recommending executive and legislative action to effectively implement health care reform initiatives.

The cabinet, which includes a number of state officials and members appointed by the governor, legislative leaders, and the chairs of the Sustinet board of directors, must advise the governor and OHRI on the development of an integrated health care system for Connecticut. Among its duties, it must coordinate with OHRI concerning effectiveness of delivery system reforms and other efforts to control health care costs.

([sHB 6308](#), effective upon passage)

HIGHER EDUCATION

In-State Tuition For Undocumented Immigrants

A new law extends in-state tuition status to undocumented immigrants residing in Connecticut who meet certain

criteria. The act qualifies anyone for in-state tuition, except a nonimmigrant alien (someone with a visa permitting temporary entrance to the country for a specific purpose), if he or she (1) resides in Connecticut; (2) attended any educational institution in the state and completed at least four years of high school here; (3) graduated from a high school in Connecticut, or the equivalent; and (4) is registered as an entering student, or is currently a student at, UConn, a Connecticut State University, a community-technical college, or Charter Oak State College. If the individual is an undocumented immigrant, he or she must file an affidavit with the college stating that he or she has applied to legalize his or her immigration status or will do so as soon as he or she is eligible to apply.

([PA 11-43](#), effective July 1, 2011)

UConn Health Center Expansion

The legislature increased funding to construct a new bed tower and renovate academic, clinical, and research space at UConn's John Dempsey hospital. It increases existing bond authorizations by \$254.9 million by (1) authorizing \$ 262.9 million in new bonding under the UConn 2000 Infrastructure Program and (2) reducing, by \$8 million, existing general obligation bond authorizations for UConn health

network initiatives. It also eliminates the requirement that UConn obtain \$100 million in nonstate money before the bonds are issued and construction begins. The UConn Health Center must (1) contribute at least \$ 69 million to the new construction and renovation project and (2) construct a new ambulatory care center through private financing.

([sSB 1152](#), effective upon passage)

HUMAN SERVICES

Medicaid For Low-Income Adults

A new law allows the social services commissioner to establish an “alternative benefit package” for people eligible for Medicaid under the Low-Income Adult coverage group and to limit medical services and provider rates. The package can limit benefits such as emergency room, pharmacy, hospital, home care, and therapy services; medical equipment and supplies; and nonemergency medical transportation.

([PA 11-44](#), effective July 1, 2011)

JUDICIAL MATTERS

Gender Identity Discrimination

The legislature passed a law protecting people from discrimination based on gender identity or expression in employment, public accommodations, the sale or

rental of housing, the granting of credit, and other laws under the Commission on Human Rights and Opportunities’ (CHRO) jurisdiction. The law codifies CHRO’s 2000 declaratory ruling that the prohibition against sex discrimination in the laws under its jurisdiction covers gender identity or expression discrimination.

It also prohibits this type of discrimination in various other contexts beyond the scope of CHRO’s declaratory ruling. But, the law does not apply to religious corporations, entities, associations, educational institutions, or societies regarding (1) hiring people to perform work for them or (2) matters of discipline; faith; internal organization; or ecclesiastical rules, customs, or laws that they have established.

([HB 6599](#), effective October 1, 2011)

MUNICIPALITIES

Manufacturing Machinery and Equipment (MME) PILOTs

A new law eliminates the payments in lieu of taxes (PILOTs) for eligible MME, which the law exempts from property taxes, and replaces them with manufacturing transition grants equal to each town’s FY 11 MME PILOT. Starting July 1, 2011, the state must allocate a portion of the sales, luxury, and state conveyance tax to a new Municipal Revenue Sharing

Account (a separate, nonlapsing General Fund account) to fund the grants. Any remaining account funds go to municipalities as follows: (1) 50% on a per capita basis and (2) 50% according to an existing property tax relief formula.

(PA 11-6, as amended by HB 6652, effective July 1, 2011)

Municipal Liability for Recreational Land Use

The legislature enacted a law that limits the liability of municipalities and other specified entities that make certain types of land available to the public without charge for recreational purposes. Unlike other landowners, these entities remain liable for certain structures, fields, or roads on their land, including (1) swimming pools, playing fields or courts, playgrounds, and certain buildings or machinery that are in their control and (2) paved roads open to the public for cars and other four-wheeled vehicles. The new law also adds bicycling to the list of recreational purposes for which all landowners may make their land available to the public and enjoy limited liability.

(sHB 6557, effective October 1, 2011)

Regional Performance Incentive Grant Program

A new law (1) revamps an existing grant program that provides funds to municipalities for jointly performing a service they currently perform separately and (2) directs a portion of the hotel tax and rental car surcharge to a separate General Fund Account to fund the program.

(PA 11-6, as amended by HB 6652, effective July 1, 2011)

Resident Trooper Program

A new law increases, from 70% to 100%, the amount towns must pay resident troopers for overtime and fringe benefits directly associated with the overtime costs of trooper services. Towns continue to pay 70% of regular costs.

(PA 11-51, effective July 1, 2011)

SENIORS

Connecticut Home Care Program For Elders (CHCPE)

CHCPE provides home- and community-based services to frail elders as an alternative to nursing home care. The program has state- and Medicaid-funded components. The legislature increased cost sharing for the state-funded portion of the program from 6% to 7% of service costs. For seniors with higher incomes, this charge is in

addition to any income DSS applies toward the cost of their care.

([PA 11-44](#), effective July 1, 2011)

Decreased Medicaid Personal Needs Allowance

Residents of long-term care facilities who receive Medicaid generally must spend all of their monthly income (e.g., Social Security) towards their care costs, but can keep a small portion called a personal needs allowance to pay for incidentals. The amount of the allowance is increased each year based on any increases in Social Security benefits (COLA). A new law decreases this allowance from \$69 to \$60 and eliminates the Social Security COLA indexing.

([PA 11-44](#), effective July 1, 2011)

TAXES

PA 11-6, as amended by HB 6652, enacted a number of tax changes in the 2012-2013 tax package this session.

Income Tax

Rate Changes. It increases the marginal income tax rates for those with taxable incomes over (1) \$100,000 for joint filers, (2) \$50,000 for single filers and married people filing separately, and (3) \$80,000 for heads of household. It also phases out the lowest (3%) income tax bracket

for taxpayers over certain adjusted gross income thresholds and imposes a “recapture provision” to eliminate the benefits taxpayers with higher incomes receive from having a portion of their income taxed at lower marginal rates.

Earned Income Tax Credit.

It establishes a refundable state earned income tax credit equal to 30% of the federal credit.

Property Tax Credit

Reduction. It reduces, from \$500 to \$300, the maximum property tax credit against the personal income tax and phases out the credit at a steeper rate, thus reducing the number of taxpayers eligible for the credit.

Sales and Use Tax

Rate Changes. It increases the general sales and use tax rate from 6% to 6.35% and hotel tax rate from 12% to 15%. It also imposed a 7% sales and use tax on the full sales price of passenger cars, boats, jewelry, clothing, and footwear costing more than certain amounts.

Exemptions Eliminated. It eliminates specific sales tax exemptions, including those for clothing and footwear costing less than \$50 and nonprescription drugs and medicine. It also extends the tax to additional services, including pet grooming, motor vehicle towing, and spa services.

Remote Sellers. It requires certain remote sellers, including such online retailers as

Amazon.com and Overstock.com, who have no physical presence in Connecticut to collect sales tax on their taxable sales in the state. The requirement applies to sellers who pay commissions to people located in Connecticut to refer customers to them.

Electric Generation Tax

It imposes a temporary tax on electric generation facilities of $\frac{1}{4}$ of a cent per net kilowatt hour of electricity generated and uploaded into the regional bulk power grid at Connecticut facilities. The tax applies to all electricity except that generated (1) by a resources recovery facility, (2) by customer-side distributed resources, or (3) through use of a fuel cell or alternative energy system, such as solar or wind system. The tax expires on June 30, 2013.

Corporation Tax Surcharge

It imposes a 20% corporation tax surcharge for the 2012 and 2013 income years.

Estate and Gift Taxes

It lowers the estate and gift tax threshold from \$3.5 million to \$2 million and extends the existing 7.2% rate to estates and gifts valued at between \$2 million and \$3.5 million.

Real Estate Conveyance Tax

It increases the state real estate conveyance tax rates by 0.25% and makes permanent the 0.25% base municipal real estate conveyance tax, which was set to expire on July 1, 2011.

Other Tax Increases

The tax package also increases the:

1. excise tax on alcoholic beverages by 20%,
2. base tax on diesel fuel from 26 cents to 29 cents,
3. cigarette tax from \$3 to \$3.40 per pack,
4. tax on snuff tobacco from 55 cents to \$1 per ounce, and
5. tax on other tobacco products from 27.5% to 50% of the wholesale price (but caps the tax on cigars at 50 cents each).

([PA 11-6](#), as amended by [HB 6652](#), effective on various dates.)

TRANSPORTATION

Connecticut Airport Authority Established

This session, the legislature recognized the economic potential of the state's airports and placed them under a new structure, the Connecticut Airport Authority, to plan and manage their operation and harness their economic potential. This quasi-public agency must develop, improve, and operate

Bradley International Airport, the state's five other general aviation airports (Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham Airports, and any others it owns, operates, or manages in the future. These functions are currently performed by the Department of Transportation and the Bradley International Airport Board of Directors.

([sSB 1003](#), effective July 1, 2011)

Cell Phone Fine Increase

The legislature enacted a law that increases fines for using a cell phone or texting while driving. The fine for a first offense increases from \$100 to \$125; for a second offense, from \$150 to \$250, and for subsequent offenses, from \$200 to \$400. It also specifies that texting while driving a commercial motor vehicle is a violation and subjects violators to disqualification from operating a commercial motor vehicle. But it allows texting from these vehicles in an emergency.

([sHB 6581](#), effective upon passage)

Clearing Snow of Motor Vehicles

The legislature advanced, from December 31, 2013, to October 1, 2011, the effective date of the law requiring drivers to clear their noncommercial vehicles of snow and ice.

([sHB 6540](#), effective October 1, 2011)

Ignition Interlocks

A new law reduces the period of license suspension for motorists convicted for the first or second time of driving under the influence of alcohol or drugs (DUI) to 45 days, but requires, as a condition of restoring a license, that offenders install a functioning, approved ignition interlock device on each vehicle they own or operate and drive only vehicles with this device for certain periods of time. Prior law required use of an ignition interlock after a license suspension for a second offense, but not for a first offense.

The law requires first offenders to drive only vehicles equipped with ignition interlocks for one year after the 45-day license suspension. It requires second offenders to drive only these vehicles for three years after a 45-day license suspension. (But second offenders under age 21 have their license suspended for either 45 days or until they turn 21, whichever is longer.) The law allows the Department of Motor Vehicles (DMV) commissioner to extend the duration of ignition interlock restrictions for drivers who fail to comply with the device's installation or use requirements beyond those the bill establishes. By law, motorists convicted of DUI are subject to imprisonment and a fine in addition to license suspension.

DMV revokes the license of a motorist convicted of a third DUI violation

([PA 11-51](#) and [PA 11-48](#), effective January 1, 2012).

VETERANS

A new law requires the DMV commissioner to include a person's veteran status on his or her state driver's license or identity card if the veteran requests it and the veterans' affairs department verifies it. This allows veterans to easily prove their veteran status for various discounts and state and federal benefits. It also extends a free lifetime pass to state parks, forests, and recreational facilities to disabled wartime veterans who live in Connecticut.

([SB 371](#), effective January 1, 2013, except for the provision regarding free passes for wartime veterans which takes effect upon passage)

ND:df