

File No. 313

(Reprint of File No. 5)

Substitute House Bill No. 5041
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 2, 1998

AN ACT CONCERNING INVENTORIES OF STATE PROPERTY
AND ACTIVITY AND WELFARE FUNDS.

Be it enacted by the Senate and House of
Representatives in General Assembly convened:

1 Section 1. Section 4-36 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 Each state [department and state institution]
5 AGENCY shall establish and keep an inventory
6 account in the form prescribed by the Comptroller,
7 and shall, annually, on or before August first,
8 transmit to [him] HER a detailed inventory, as of
9 June thirtieth, of all [property, real or
10 personal,] OF THE FOLLOWING PROPERTY owned by the
11 state and in the custody of such [department or
12 institution] AGENCY: (1) REAL PROPERTY, (2)
13 PERSONAL PROPERTY HAVING A VALUE OF ONE THOUSAND
14 DOLLARS OR MORE AND (3) PERSONAL PROPERTY HAVING A
15 VALUE OF LESS THAN ONE THOUSAND DOLLARS AND
16 DEFINED AS "CONTROLLABLE PROPERTY" IN THE PROPERTY
17 CONTROL MANUAL PUBLISHED BY THE COMPTROLLER.

18 Sec. 2. Section 4-52 of the general statutes
19 is repealed and the following is substituted in
20 lieu thereof:

21 As used in sections 4-53 to 4-55, inclusive,
22 AS AMENDED BY SECTIONS 3, 4 AND 5 OF THIS ACT,
23 "activity fund" means any fund operated in any
24 state educational [,] INSTITUTION OR welfare or
25 medical [institution] AGENCY for the benefit of
26 the employees or students of such [institutions]
27 INSTITUTION OR AGENCY, including so-called
28 [patients'] CLIENTS' funds in state hospitals, the
29 revenue of which is derived from the operation of
30 canteens, vending machines, dramatics, recitals,
31 student activity fees, membership fees, deposits
32 or any other legal source compatible with the good
33 government of such [institutions] INSTITUTION OR
34 AGENCY.

35 Sec. 3. Section 4-53 of the general statutes
36 is repealed and the following is substituted in
37 lieu thereof:

38 The administrative head of any such
39 institution OR AGENCY may, with the approval of
40 the Comptroller and in accordance with procedures
41 prescribed by the Comptroller, establish one or
42 more activity funds. The Governor may allot from
43 the funds appropriated to any such institution OR
44 AGENCY any amount needed in his judgment for the
45 establishment of any such activity fund, and the
46 Comptroller shall provide in such procedures for
47 the reimbursement of such appropriation. The use
48 of such state facilities as space, fixtures, heat
49 and light to obtain revenue from the sources
50 designated in section 4-52, AS AMENDED BY SECTION
51 2 OF THIS ACT, is authorized. At the end of each
52 fiscal year any cash balance in such fund not
53 needed for the maintenance and continuance of its
54 activities may, with the approval of the
55 Comptroller, be transferred to the ["institutional
56 general welfare fund"] "GENERAL WELFARE FUND" of
57 such institution OR AGENCY if such a fund has been
58 established and, if not, shall remain in such
59 activity fund.

60 Sec. 4. Section 4-54 of the general statutes
61 is repealed and the following is substituted in
62 lieu thereof:

63 (a) The management of such funds may be under
64 the control of students or employees other than
65 those adjudged mentally ill but shall be under the
66 supervision of the administrative head of the
67 institution OR AGENCY, except that such funds
68 shall be under the total control of students under

69 conditions hereinafter provided. The person acting
70 as treasurer of any such fund shall be bonded in
71 an amount determined by the State Insurance
72 Purchasing Board.

73 (b) Where the duly constituted student
74 government at any public institution of higher
75 education or where by petition five per cent of
76 the students enrolled at such institution and
77 paying activity fees seeks to establish total
78 control and administration of the student activity
79 fund at such institution, a referendum shall be
80 held on the question. Said referendum shall be
81 conducted by secret ballot and notice of said
82 referendum shall be given to the students at such
83 institution at least fourteen days prior to said
84 referendum. Upon approval by a majority of at
85 least forty per cent of all students enrolled in
86 the institution and paying activity fees, the duly
87 constituted student government of such institution
88 shall become responsible for the control and
89 administration of said fund. Pursuant to this
90 subsection any student government controlling
91 student activity funds shall establish a finance
92 committee whose duty it shall be to hold hearings
93 on budget requests and expenditures of said funds
94 and to recommend the allocation of said funds to
95 the student government. Such student government
96 shall have as one of its officers a duly elected
97 treasurer who shall be accountable for such funds
98 and be bonded in accordance with the provisions of
99 subsection (a) of this section.

100 (c) A referendum on whether to continue
101 student control of said fund shall be held upon
102 the petition by five per cent of the students
103 enrolled at such institution and paying activity
104 fees. Such referendum shall be held in accordance
105 with the provisions of subsection (b) of this
106 section. Where a majority of those voting in such
107 referendum disapprove of the continuation of
108 student control over such funds, supervision of
109 such funds shall be vested in the administrative
110 head of the institution in accordance with
111 subsection (a) of this section.

112 (d) Notwithstanding any provisions of this
113 section, a referendum on whether to continue
114 student control of said fund shall be held at
115 least every four years in accordance with the
116 provisions of subsection (b) of this section. Such

117 referendum shall require approval by a majority of
118 at least forty per cent of all students enrolled
119 in the institution and paying activity fees.

120 Sec. 5. Section 4-55 of the general statutes
121 is repealed and the following is substituted in
122 lieu thereof:

123 The administrative head of any institution OR
124 AGENCY operating an activity fund, the
125 Commissioner of Correction operating an activity
126 fund in accordance with the provisions of section
127 4-57a or the treasurer of a student government
128 organization at a public institution of higher
129 education in control of an activity fund, in
130 accordance with the provisions of subsection (b)
131 of section 4-54, AS AMENDED BY SECTION 4 OF THIS
132 ACT, shall file, or cause to be filed, a balance
133 sheet and statement of operations with the
134 Secretary of the Office of Policy and Management
135 at such times as said secretary orders. A copy of
136 such statements shall be [filed with the Auditors
137 of Public Accounts, who shall determine the
138 frequency with which the accounts of such activity
139 funds shall be audited] RETAINED FOR AUDITING
140 PURPOSES.

141 Sec. 6. Section 4-56 of the general statutes
142 is repealed and the following is substituted in
143 lieu thereof:

144 Unless otherwise provided by the donor, all
145 gifts, donations or bequests made to the students
146 or [patients] CLIENTS of any state educational [,]
147 INSTITUTION OR medical or welfare [institution]
148 AGENCY as a group, unclaimed funds accumulated
149 from money deposited for the use of students or
150 [patients] CLIENTS in any such state institution
151 OR AGENCY, and the interest on any such money,
152 shall be placed in a separate fund at such
153 institution OR AGENCY which may be known as the
154 ["institutional general welfare fund"] "GENERAL
155 WELFARE FUND" and shall be used in accordance with
156 procedures prescribed by the Comptroller, for the
157 benefit of the students or [patients] CLIENTS of
158 such institution OR AGENCY in any manner which the
159 governing board of such institution OR AGENCY
160 deems suitable.

161 Sec. 7. Section 4-57 of the general statutes
162 is repealed and the following is substituted in
163 lieu thereof:

164 The administrative head of any institution OR
165 AGENCY operating such a fund or the Commissioner
166 of Correction operating a general welfare fund in
167 accordance with the provisions of section 4-57a
168 shall file a financial report with the Secretary
169 of the Office of Policy and Management at such
170 times as said secretary orders. A copy of such
171 statement shall be [filed with the Auditors of
172 Public Accounts, who shall determine the frequency
173 with which the accounts of such fund shall be
174 audited] RETAINED FOR AUDITING PURPOSES.

175 Sec. 8. This act shall take effect July 1,
176 1998.

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER sHB 5041

STATE IMPACT None, see explanation below

MUNICIPAL IMPACT None

STATE AGENCY(S) State Comptroller

EXPLANATION OF ESTIMATES:

STATE IMPACT: The bill eliminates state agencies' duty to inventory state furnishings and equipment valued at under \$1,000, except controllable items, which must be inventoried regardless of their value. While this change will result in administrative efficiencies to all state agencies, it is not anticipated to have any budgetary impact. The bill also makes a number of technical changes to the statutes governing Activity and Welfare Funds which have no fiscal impact.

House Amendment "A" clarifies which property is eliminated from the Comptroller's annual inventory and makes a technical change, both of which have no fiscal impact.

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OLR AMENDED BILL ANALYSIS

sHB 5041 (as amended by House "A")*

AN ACT CONCERNING INVENTORIES OF STATE PROPERTY AND ACTIVITY AND WELFARE FUNDS

SUMMARY: This bill eliminates state agencies' duty to inventory state furnishings and equipment valued at under \$1,000, unless it is "controllable property" as

defined in the Property Control Manual published by the comptroller. "Controllable property" is currently defined as taxable property valued at less than \$1,000 with a useful life of at least one year and which agency heads may identify as requiring identity and control. Examples of such property include computers, cellular telephones, and other portable items. Controllable items must be inventoried regardless of their value. Agencies will still have to inventory all property valued at \$1,000 or more.

The bill eliminates a requirement that agencies operating an activity fund file with the state auditors a copy of the balance sheet and statement of operations they must file with the Office of Policy and Management secretary. The agencies must instead retain the statements for auditing purposes.

Lastly, the bill makes technical changes in, and deletes obsolete language from, the activity fund statutes.

*House Amendment "A" specifies that the property eliminated from the comptroller's annual inventory is "controllable property" as defined in the comptroller's property manual and makes a technical change.

EFFECTIVE DATE: July 1, 1998

BACKGROUND

Property Inventories

Each agency must (1) inventory the state property in its custody on a form prescribed by the comptroller and (2) give her a copy of the inventory by August 1 annually showing all state property within its control on the previous June 30.

Activity Funds

An "activity fund" is operated in a state educational institution or medical or welfare agency for the benefit of its employees (or students in the case of state educational institutions). It derives its revenue from agency-operated canteens, vending machines, dramatics, recitals, student activity fees, membership fees, deposits, or any other legal source compatible

with good government.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report
Yea 16 Nay 0