



General Assembly

Substitute Bill No. 872

January Session, 2019



**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS FOR GENERAL GOVERNMENT.**

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

1 Section 1. Subsection (a) of section 12-7c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) The Commissioner of Revenue Services shall, on or before
5 February 15, [2020] 2022, and biennially thereafter, submit to the joint
6 standing committee of the General Assembly having cognizance of
7 matters relating to finance, revenue and bonding, and post on the
8 department's Internet web site a report on the overall incidence of the
9 income tax, sales and excise taxes, the corporation business tax and
10 property tax. The report shall present information on the distribution
11 of the tax burden as follows:

12 (1) For individuals:

13 (A) Income classes, including income distribution expressed for
14 every ten percentage points; and

15 (B) Other appropriate taxpayer characteristics, as determined by
16 said commissioner.

17 (2) For businesses:

18 (A) Business size as established by gross receipts;

19 (B) Legal organization; and

20 (C) Industry by NAICS code.

21 Sec. 2. Section 4-8 of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective from passage*):

23 Each department head shall be qualified by training and experience
24 for the duties of his or her office. Each department head shall act as the
25 executive officer of the Governor for accomplishing the purposes of his
26 or her department. [He] Each department head shall (1) conduct
27 comprehensive planning with respect to the functions of his or her
28 department and coordinate the activities and programs of the state
29 agencies therein; [. He shall] (2) cause the administrative organization
30 of [said] such department to be examined with a view to promoting
31 economy and efficiency; [. He shall] and (3) organize the department
32 and any agency therein into such divisions, bureaus or other units as
33 he or she deems necessary for the efficient conduct of the business of
34 the department. [and] Each department head may from time to time
35 abolish, transfer or consolidate within the department or any agency
36 therein any division, bureau or other unit as may be necessary for the
37 efficient conduct of the business of the department, provided such
38 organization shall include any division, bureau or other unit which is
39 specifically required by the general statutes. Each department head
40 may appoint such deputies as may be necessary for the efficient
41 conduct of the business of the department. Each department head shall
42 designate one deputy who shall, in the absence or disqualification of
43 the department head or on his or her death, exercise the powers and
44 duties of the department head until [he] the department head resumes
45 his or her duties or the vacancy is filled. Such deputies shall serve at
46 the pleasure of the department head. Such appointees shall devote
47 their full time to their duties with the department or agency and shall

48 engage in no other gainful employment. Subject to the provisions of
49 chapter 67, each department head shall appoint such other employees
50 as may be necessary for the discharge of his or her duties. [He is
51 empowered to] Each department head may make regulations for the
52 conduct of his or her department. Each department head may enter
53 into [such] contractual agreements, including, but not limited to,
54 contractual agreements with other states, in accordance with
55 established procedures, as may be necessary for the discharge of his or
56 her duties. Subject to the provisions of section 4-32, and unless
57 otherwise provided by law, each department head is authorized to
58 receive any money, revenue or services from the federal government,
59 corporations, associations or individuals, including payments from the
60 sale of printed matter or any other material or services. Each
61 department head may create such advisory boards as he or she deems
62 necessary.

63 Sec. 3. Subsection (a) of section 10a-8c of the general statutes is
64 repealed and the following is substituted in lieu thereof (*Effective from*
65 *passage*):

66 (a) Except as provided in subsection (b) of this section,
67 notwithstanding the provisions of sections 10a-77a, 10a-99a, 10a-109c,
68 10a-109i and 10a-143a, no funds shall be appropriated to the Office of
69 Higher Education for grants pursuant to subdivision (2) of subsection
70 (a) of section 10a-77a, subdivision (2) of subsection (a) of section 10a-
71 99a, subdivision (2) of subsection (b) of section 10a-109i and
72 subdivision (2) of subsection (a) of section 10a-143a: (1) Until such time
73 as the amount in the Budget Reserve Fund, established in section 4-
74 30a, equals [ten] fifteen per cent of the net General Fund
75 appropriations for the fiscal year in progress, (2) the amount of the
76 grants appropriated shall be reduced proportionately if the amount
77 available is less than the amount required for such grants, and (3) the
78 amount of funds available to be appropriated during any fiscal year
79 for such grants shall not exceed twenty-five million dollars.

80 Sec. 4. Subsection (b) of section 10a-8 of the general statutes is

81 repealed and the following is substituted in lieu thereof (*Effective from*
82 *passage*):

83 (b) The boards of trustees of each of the constituent units may
84 transfer to or from any specific appropriation of such constituent unit a
85 sum or sums totaling up to [fifty] one hundred seventy-five thousand
86 dollars or ten per cent of any such specific appropriation, whichever is
87 less, in any fiscal year without the consent of the Finance Advisory
88 Committee. Any such transfer shall be reported to the Finance
89 Advisory Committee within thirty days of such transfer and such
90 report shall be a record of said committee.

91 Sec. 5. (*Effective July 1, 2019*) Notwithstanding the provisions of
92 subsection (c) of section 4-66l of the general statutes:

93 (1) For the fiscal year ending June 30, 2020, municipal transition
94 grants to municipalities that impose mill rates on real property and
95 personal property other than motor vehicles greater than 45 mills or
96 that, when combined with the mill rate of any district located within
97 the municipality, impose mill rates greater than 45 mills, shall be made
98 in an amount equal to the difference between the amount of property
99 taxes levied by the municipality and any district located within the
100 municipality on motor vehicles for the assessment year commencing
101 October 1, 2016, and the amount such levy would have been if the mill
102 rate on motor vehicles for said assessment year was equal to the mill
103 rate imposed by such municipality and any district located within the
104 municipality on real property and personal property other than motor
105 vehicles; and

106 (2) For the fiscal year ending June 30, 2021, municipal transition
107 grants to municipalities that impose mill rates on real property and
108 personal property, other than motor vehicles, greater than 45 mills or
109 that, when combined with the mill rate of any district located within
110 the municipality, impose mill rates greater than 45 mills, shall be made
111 in an amount equal to the difference between the amount of property
112 taxes levied by the municipality and any district located within the

113 municipality on motor vehicles for the assessment year commencing
114 October 1, 2017, and the amount such levy would have been if the mill
115 rate on motor vehicles for said assessment year was equal to the mill
116 rate imposed by such municipality and any district located within the
117 municipality on real property and personal property other than motor
118 vehicles.

119 Sec. 6. Section 31-230 of the general statutes is repealed and the
120 following is substituted in lieu thereof (*Effective from passage*):

121 (a) An individual's benefit year shall commence with the beginning
122 of the week with respect to which the individual has filed a valid
123 initiating claim and shall continue through the Saturday of the fifty-
124 first week following the week in which it commenced, provided no
125 benefit year shall end until after the end of the third complete calendar
126 quarter, plus the remainder of any uncompleted calendar week that
127 began in such quarter, following the calendar quarter in which it
128 commenced, and provided further, the benefit year of an individual
129 who has filed a combined wage claim, as described in subsection (b) of
130 section 31-255, shall be the benefit year prescribed by the law of the
131 paying state. In no event shall a benefit year be established before the
132 termination of an existing benefit year previously established under
133 the provisions of this chapter. Except as provided in subsection (b) of
134 this section, the base period of a benefit year shall be the first four of
135 the five most recently completed calendar quarters prior to such
136 benefit year, provided such quarters were not previously used to
137 establish a prior valid benefit year and provided further, the base
138 period with respect to a combined wage claim, as described in
139 subsection (b) of section 31-255, shall be the base period of the paying
140 state, except that for any individual who is eligible to receive or is
141 receiving workers' compensation or who is properly absent from work
142 under the terms of the employer's sick leave or disability leave policy,
143 the base period shall be the first four of the five most recently worked
144 quarters prior to such benefit year, provided such quarters were
145 consecutive and not previously used to establish a prior valid benefit

146 year and provided further, the last most recently worked calendar
147 quarter is no more than twelve calendar quarters prior to the date such
148 individual makes an initiating claim. As used in this section, an
149 initiating claim shall be deemed valid if the individual is unemployed
150 and meets the requirements of subdivisions (1) and (3) of subsection
151 (a) of section 31-235. The base period of an individual's benefit year
152 shall include wages paid by any nonprofit organization electing
153 reimbursement in lieu of contributions, or by the state and by any
154 town, city or other political or governmental subdivision of or in this
155 state or of any municipality to such person with respect to whom such
156 employer is subject to the provisions of this chapter. With respect to
157 weeks of unemployment beginning on or after January 1, 1978, wages
158 for insured work shall include wages paid for previously uncovered
159 services. For purposes of this section, the term "previously uncovered
160 services" means services that (1) were not employment, as defined in
161 section 31-222, and were not services covered pursuant to section 31-
162 223, at any time during the one-year period ending December 31, 1975;
163 and (2) (A) are agricultural labor, as defined in subparagraph (H) of
164 subdivision (1) of subsection (a) of section 31-222, or domestic service,
165 as defined in subparagraph (J) of subdivision (1) of subsection (a) of
166 section 31-222, or (B) are services performed by an employee of this
167 state or a political subdivision of this state, as provided in
168 subparagraph (C) of subdivision (1) of subsection (a) of section 31-222,
169 or by an employee of a nonprofit educational institution that is not an
170 institution of higher education, as provided in subparagraph (E)(iii) of
171 subdivision (1) of subsection (a) of section 31-222, except to the extent
172 that assistance under Title II of the Emergency Jobs and
173 Unemployment Assistance Act of 1974 was paid on the basis of such
174 services.

175 (b) The base period of a benefit year for any individual who is
176 ineligible to receive benefits using the base period set forth in
177 subsection (a) of this section shall be the four most recently completed
178 calendar quarters prior to the individual's benefit year, provided such
179 quarters were not previously used to establish a prior valid benefit

180 year, except that for any such individual who is eligible to receive or is
181 receiving workers' compensation or who is properly absent from work
182 under the terms of an employer's sick leave or disability leave policy,
183 the base period shall be the four most recently worked calendar
184 quarters prior to such benefit year, provided such quarters were
185 consecutive and not previously used to establish a prior valid benefit
186 year and provided further, the last most recently worked calendar
187 quarter is not more than twelve calendar quarters prior to the date
188 such individual makes the initiating claim. If the wage information for
189 an individual's most recently worked calendar quarter is unavailable
190 to the administrator from regular quarterly reports of systematically
191 accessible wage information, the administrator shall promptly contact
192 the individual's employer to obtain such wage information.

193 Sec. 7. Subsection (b) of section 31-273 of the general statutes is
194 repealed and the following is substituted in lieu thereof (*Effective from*
195 *passage*):

196 (b) (1) Any person who, by reason of fraud, wilful misrepresentation
197 or wilful nondisclosure by such person or by another of a material fact,
198 has received any sum as benefits under this chapter while any
199 condition for the receipt of benefits imposed by this chapter was not
200 fulfilled in such person's case, or has received a greater amount of
201 benefits than was due such person under this chapter, shall be charged
202 with an overpayment and shall be liable to repay to the administrator
203 for the Unemployment Compensation Fund a sum equal to the
204 amount so overpaid to such person. If such person does not make
205 repayment in full of the sum overpaid, the administrator shall recoup
206 such sum by offset from such person's unemployment benefits. The
207 deduction from benefits shall be one hundred per cent of the person's
208 weekly benefit entitlement until the full amount of the overpayment
209 has been recouped. Where such offset is insufficient to recoup the full
210 amount of the overpayment, the claimant shall repay the remaining
211 amount plus, for any determination of an overpayment made on or
212 after July 1, 2005, interest at the rate of one per cent of the amount so

213 overpaid per month, in accordance with a repayment schedule as
214 determined by the examiner. If the claimant fails to repay according to
215 the schedule, the administrator may recover such overpayment plus
216 interest through a wage execution against the claimant's earnings upon
217 the claimant's return to work in accordance with the provisions of
218 section 52-361a. In addition, the administrator may request the
219 Commissioner of Administrative Services to seek reimbursement for
220 such amount pursuant to section 12-742. If the administrator's actions
221 are insufficient to recover such overpayment, the administrator may
222 submit the outstanding balance to the Internal Revenue Service for the
223 purpose of offsetting the claimant's federal tax refund pursuant to 26
224 USC 6402(f), 31 USC 3720A or other applicable federal laws. The
225 administrator is authorized, eight years after the payment of any
226 benefits described in this subsection, to cancel any claim for such
227 repayment or recoupment which in the administrator's opinion is
228 uncollectible. Effective January 1, 1996, and annually thereafter, the
229 administrator shall report to the joint standing committee of the
230 General Assembly having cognizance of matters relating to finance,
231 revenue and bonding and the joint standing committee of the General
232 Assembly having cognizance of matters relating to labor and public
233 employees, the aggregate number and value of all such claims deemed
234 uncollectible and therefore cancelled during the previous calendar
235 year.

236 (2) (A) For any determination of an overpayment made prior to
237 October 1, 2013, any person who has made a claim for benefits under
238 this chapter and has knowingly made a false statement or
239 representation or has knowingly failed to disclose a material fact in
240 order to obtain benefits or to increase the amount of benefits to which
241 such person may be entitled under this chapter shall forfeit benefits for
242 not less than one or more than thirty-nine compensable weeks
243 following determination of such offense or offenses, during which
244 weeks such person would otherwise have been eligible to receive
245 benefits. For the purposes of section 31-231b, such person shall be
246 deemed to have received benefits for such forfeited weeks. This

247 penalty shall be in addition to any other applicable penalty under this
248 section and in addition to the liability to repay any moneys so received
249 by such person and shall not be confined to a single benefit year. The
250 provisions of this subparagraph shall not be applicable to claims
251 deemed payable as of October 1, 2019. (B) For any determination of an
252 overpayment made on or after October 1, 2013, any person who has
253 made a claim for benefits under this chapter and has knowingly made
254 a false statement or representation or has knowingly failed to disclose
255 a material fact in order to obtain benefits or to increase the amount of
256 benefits to which such person may be entitled under this chapter shall
257 be subject to a penalty of fifty per cent of the amount of overpayment
258 for the first offense and a penalty of one hundred per cent of the
259 amount of overpayment for any subsequent offense. This penalty shall
260 be in addition to the liability to repay the full amount of overpayment
261 and shall not be confined to a single benefit year. Thirty-five per cent
262 of any such penalty shall be paid into the Unemployment
263 Compensation Trust Fund and sixty-five per cent of such penalty shall
264 be paid into the Employment Security Administration Fund. The
265 penalty amounts computed in this subparagraph shall be rounded to
266 the nearest dollar with fractions of a dollar of exactly fifty cents
267 rounded upward.

268 (3) Any person charged with the fraudulent receipt of benefits or the
269 making of a fraudulent claim, as provided in this subsection, shall be
270 entitled to a determination of eligibility by the administrator that shall
271 be based upon evidence or testimony presented in a manner
272 prescribed by the administrator including in writing, by telephone or
273 by other electronic means. The administrator may prescribe a hearing
274 by telephone or in person at his or her discretion, provided if an in
275 person hearing is requested, the request may not be unreasonably
276 denied by the administrator. Notice of the time and place of such
277 hearing, and the reasons for such hearing, shall be given to the person
278 not less than five days prior to the date appointed for such hearing.
279 The administrator shall determine, on the basis of facts found by the
280 administrator, whether or not a fraudulent act subject to the penalties

281 of this subsection has been committed and, upon such finding, shall fix
282 the penalty for any such offense according to the provisions of this
283 subsection. Any person determined by the administrator to have
284 committed fraud under the provisions of this section shall be liable for
285 repayment to the administrator of the Unemployment Compensation
286 Fund for any benefits determined by the administrator to have been
287 collected fraudulently, as well as any other penalties assessed by the
288 administrator in accordance with the provisions of this subsection.
289 Until such liabilities have been met to the satisfaction of the
290 administrator, such person shall forfeit any right to receive benefits
291 under the provisions of this chapter. Notification of such decision and
292 penalty shall be provided to such person and shall be final unless such
293 person files an appeal not later than twenty-one days after the date
294 such notification was provided to such person, except that (A) any
295 such appeal that is filed after such twenty-one-day period may be
296 considered to be timely filed if the filing party shows good cause, as
297 defined in regulations adopted pursuant to section 31-249h, for the late
298 filing, (B) if the last day for filing an appeal falls on any day when the
299 offices of the Employment Security Division are not open for business,
300 such last day shall be extended to the next business day, (C) if any
301 such appeal is filed by mail, the appeal shall be considered timely filed
302 if the appeal was received within such twenty-one-day period or bears
303 a legible United States postal service postmark that indicates that
304 within such twenty-one-day period the appeal was placed in the
305 possession of postal authorities for delivery to the appropriate office,
306 except posting dates attributable to private postage meters shall not be
307 considered in determining the timeliness of appeals filed by mail, and
308 (D) if any such appeal is filed electronically, such appeal shall be
309 considered timely filed if it was received within such twenty-one-day
310 period. Such appeal shall be heard by a referee in the same manner
311 provided in section 31-242 for an appeal from the decision of an
312 examiner on a claim for benefits. The manner in which such appeals
313 shall be heard and appeals taken therefrom to the board of review and
314 then to the Superior Court, either by the administrator or the claimant,
315 shall be in accordance with the provisions set forth in section 31-249 or

316 31-249b, as the case may be. Any determination of overpayment made
317 under this subsection which becomes final on or after October 1, 1995,
318 may be enforced in the same manner as a judgment of the Superior
319 Court when the claimant fails to pay according to the claimant's
320 repayment schedule. The court may issue execution upon any final
321 determination of overpayment in the same manner as in cases of
322 judgments rendered in the Superior Court; and upon the filing of an
323 application to the court for an execution, the administrator shall send
324 to the clerk of the court a certified copy of such determination.

325 Sec. 8. Subsection (a) of section 31-250 of the general statutes is
326 repealed and the following is substituted in lieu thereof (*Effective from*
327 *passage*):

328 (a) In administering this chapter, the administrator may adopt such
329 regulations, employ such persons, make such expenditures, require
330 such reports, make such investigations and take such other action as
331 may be necessary or suitable, including, but not limited to, entering
332 into a consortium with other states and entering into any contract or
333 memorandum of understanding associated with such consortium.
334 Such regulations shall be effective upon publication in the manner
335 which the administrator prescribes. As provided in section 4-60, the
336 administrator shall submit to the Governor a report covering the
337 administration and operation of this chapter during the preceding
338 fiscal year and shall make such recommendations for amendments to
339 this chapter as he deems proper. The administrator shall comply with
340 the provisions of Section 303(a)(6) and (7) of the federal Social Security
341 Act, and of Section 303(c), added to the federal Social Security Act by
342 Section 13(g) of the federal Railroad Unemployment Insurance Act.
343 The administrator is authorized to receive the reimbursement of the
344 federal share of extended benefits paid under the provisions of
345 sections 31-232b to 31-232h, inclusive, and section 31-232k that are
346 reimbursable under the provisions of federal law.

347 Sec. 9. Section 5-156a of the general statutes is amended by adding
348 subsection (h) as follows (*Effective July 1, 2019*):

349 (NEW) (h) Any recovery of pension costs from appropriated or
350 nonappropriated sources other than the General Fund and Special
351 Transportation Fund that causes the payments to the State Employees
352 Retirement System to exceed the actuarially determined employer
353 contribution for any fiscal year shall be deposited into the State
354 Employees Retirement Fund as an additional employer contribution at
355 the end of such fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-7c(a)
Sec. 2	<i>from passage</i>	4-8
Sec. 3	<i>from passage</i>	10a-8c(a)
Sec. 4	<i>from passage</i>	10a-8(b)
Sec. 5	<i>July 1, 2019</i>	New section
Sec. 6	<i>from passage</i>	31-230
Sec. 7	<i>from passage</i>	31-273(b)
Sec. 8	<i>from passage</i>	31-250(a)
Sec. 9	<i>July 1, 2019</i>	5-156a

APP *Joint Favorable Subst.*