

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 22-1, November 2022 Special Session—HB 6001
Emergency Certification

**AN ACT CONCERNING THE SUSPENSION OF CERTAIN GAS TAXES,
THE EXTENSION OF FREE BUS SERVICE, BOTTLE DEPOSIT LABELS
AND FUNDING FOR THE CONNECTICUT PREMIUM PAY PROGRAM
AND ENERGY ASSISTANCE**

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Extends through December 31, 2022, the suspension of the 25-cent-per-gallon motor vehicle fuels tax on gasoline and gasohol; reimposes the tax at 5 cents per gallon beginning January 1, 2023, and increases it by 5 cents each month until the 25-cent rate resumes beginning May 1, 2023; and continues to require retail fuel dealers to correspondingly reduce their sale prices based on the tax changes

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Requires PURA, for FYs 23 and 24, to direct 95% of certain fines it collects to nonprofit agencies that provide energy assistance programs; sets annual reporting requirements for the agencies and prohibits them from using more than 10% of the funds for administrative purposes

§§ 8 & 9 — BOTTLE BILL LABELING EXEMPTION

Exempts from the state's beverage container redemption law's ("bottle bill") labeling requirements certain beverage containers (e.g., juice, tea, coffee, sports or energy drink) in a dealer's inventory as of December 31, 2022

§ 1 — GAS TAX SUSPENSION AND REIMPOSITION

Extends through December 31, 2022, the suspension of the 25-cent-per-gallon motor vehicle fuels tax on gasoline and gasohol; reimposes the tax at 5 cents per gallon beginning January 1, 2023, and increases it by 5 cents each month until the 25-cent rate resumes beginning May 1, 2023; and continues to require retail fuel dealers to correspondingly reduce their sale prices based on the tax changes

Under prior law and through November 30, 2022, (1) the 25-cent-per-gallon motor vehicle fuels tax on gasoline and gasohol was suspended and (2) retail fuel dealers had to correspondingly reduce the per-gallon price of the gasoline and gasohol they sold by 25 cents. The act extends this suspension and price reduction requirement another month, through December 31, 2022.

Beginning January 1, 2023, the act reimposes the tax at a reduced rate of 5 cents per gallon and increases it by 5 cents each month until the 25-cent rate resumes beginning May 1, 2023. Relatedly, the act requires retailers to continue reducing their gasoline and gasohol per-gallon sale prices during this period in proportion to the tax rate imposed as shown in the following table.

**Motor Vehicle Fuels Tax Rates and Fuel Price Reductions
Beginning January 1, 2023**

<i>Period</i>	<i>Tax Rate (cents per gallon)</i>	<i>Fuel Price Reduction (cents per gallon)</i>
January	5	20
February	10	15
March	15	10
April	20	5
May and thereafter	25	N/A

By law, the motor vehicle fuels tax is imposed on fuel distributors and applies to motor vehicle fuel used or sold in Connecticut. As with the prior suspension, the act's provisions do not affect the tax due on propane, natural gas, or diesel.

As under existing law, violations of the price reduction requirement are an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA). Retailers may use the following as affirmative defenses against alleged violations of the requirement: (1) an increase in the wholesale price of fuel that

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occurs after the tax reduction, (2) an increase in any other tax imposed on the fuel that occurs after the tax reduction, or (3) any other bona fide business cost increase the retailer incurs and relied upon in making the decision to not reduce the price (CGS § 14-332a(c)(4)).

EFFECTIVE DATE: Upon passage

§ 2 — ARPA ALLOCATION ADJUSTMENTS

Reallocates \$40.8 million in FY 23 ARPA funds allocated to OPM for Invest Connecticut to (1) DOT for free bus service (\$10.8 million) and (2) DSS for the Home Heating Energy Assistance Supplemental Reserve (\$30 million)

The act adjusts federal American Rescue Plan Act (ARPA) funding allocations for FY 23 by reducing the allocation to the Office of Policy and Management (OPM) for Invest Connecticut by \$40.8 million and allocating these funds as follows:

1. \$10.8 million to the Department of Transportation (DOT) for free bus service (increasing the current allocation from \$8.1 million to \$18.9 million) and
2. \$30 million to the Department of Social Services (DSS) for the Home Heating Energy Assistance Supplemental Reserve (see § 6 below).

EFFECTIVE DATE: Upon passage

§ 3 — PREMIUM PAY PROGRAM BENEFITS

Adjusts the Premium Pay Program’s benefit scale to reduce the payments to full-time eligible applicants with an income of \$50,000 or more; reduces the benefit for part-time eligible applicants from \$500 to \$200; and removes a requirement for benefits to be reduced if the program is underfunded

PA 22-118 created the Connecticut Premium Pay Program to recognize and compensate certain “essential workers” (i.e., those eligible for a vaccination in phase 1a or 1b of the CDC’s COVID vaccination program) who worked throughout the COVID-19 emergency by giving them a \$200 to \$1,000 payment, depending on their individual income. This act adjusts the program’s benefit scale to reduce the payments to full-time eligible applicants whose income is \$50,000 or more. The following table shows the income ranges and premium payments under PA 22-118 and this act. The act also reduces the payment for part-time eligible applicants (i.e., those who worked less than 30 hours per week) from \$500 to \$200.

Income Ranges and Premium Payments Under PA 22-118 and the Act

<i>Under PA 22-118</i>		<i>Under the Act</i>	
<i>Income Range</i>	<i>Payment</i>	<i>Income Range</i>	<i>Payment</i>
Less than \$100,000	\$1,000	Less than \$50,000	\$1,000
\$100,000 - \$109,999	800	\$50,000 - <\$60,000	800
\$110,000 - \$119,999	600	\$60,000 - <\$70,000	750

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<i>Under PA 22-118</i>		<i>Under the Act</i>	
\$120,000 - \$129,999	400	\$70,000 - <\$80,000	500
\$130,000 - \$149,999	200	\$80,000 - <\$90,000	250
		\$90,000 - <\$100,000	200
		\$100,000 - <\$150,000	100

The act also (1) removes a requirement that the payments be reduced proportionally if the sum allocated to the program is not enough to fully fund all approved applicants and (2) specifies that the program must make payments to eligible applicants who applied by October 1, 2022 (the application deadline).

EFFECTIVE DATE: Upon passage and applicable to applications submitted on or after May 7, 2022, and before October 1, 2022.

§ 4 — ESSENTIAL WORKERS COVID-19 PROGRAM FUNDS TRANSFER

Makes any unspent funds from the Essential Worker COVID-19 Assistance Program available for the Premium Pay Program

The act makes any unspent funds from the Essential Workers COVID-19 Assistance Program available for the Premium Pay Program. By law, the Essential Workers COVID-19 Assistance Program provides financial assistance for uncompensated leave, out-of-pocket medical expenses, and burial expenses to certain essential employees who could not work between March 10, 2020, and July 20, 2021, due to having COVID-19.

EFFECTIVE DATE: Upon passage

§ 5 — RETIRED STATE EMPLOYEE HEALTH SERVICES FUNDS TRANSFER

Reduces the FY 23 appropriation for retired state employees' health services costs by \$45 million and transfers it to the Connecticut Premium Pay account

The act reduces the FY 23 appropriation to the State Comptroller for retired state employees' health services costs by \$45 million and transfers it to the Connecticut Premium Pay account that supports the Premium Pay Program.

EFFECTIVE DATE: Upon passage

§ 6 — LIMITS ON SUPPLEMENTAL LIHEAP FUNDS

Requires that DSS spend Home Heating Energy Assistance Supplemental Reserve funds only (1) after federal LIHEAP funds are exhausted and (2) to provide direct benefits under the state's LIHEAP plan

The act requires the state to exhaust all federal funds it received for home heating and utility assistance purposes before spending the \$30 million allocated to

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the Department of Social Services for the Home Heating Energy Assistance Supplemental Reserve (see § 2). It requires that the reserve funds be used only to support direct benefits for home heating or utility assistance for consumers eligible under the federal FY 23 Low Income Home Energy Assistance (LIHEAP) Block Grant Allocation Plan approved by the Appropriations, Energy and Technology, and Human Services committees on August 29, 2022.

EFFECTIVE DATE: Upon passage

§ 7 — PURA FINE REVENUE DIRECTED TO ENERGY ASSISTANCE AGENCIES

Requires PURA, for FYs 23 and 24, to direct 95% of certain fines it collects to nonprofit agencies that provide energy assistance programs; sets annual reporting requirements for the agencies and prohibits them from using more than 10% of the funds for administrative purposes

By law, entities regulated by the Public Utilities Regulatory Authority (PURA) are penalized with certain fines, restitution, or a combination of both if they violate the applicable laws and regulations for public service companies or PURA's orders. PURA may direct a portion of these fines to a nonprofit agency providing energy assistance programs (e.g., Operation Fuel). For FYs 23 and 24, the act requires PURA to direct at least 95% of these fines to nonprofit agencies providing energy assistance programs.

The act also requires any nonprofit agency that receives part of these fines, regardless of the fiscal year, to (1) administer the funds as directed by PURA and (2) submit an annual report to PURA at the end of each fiscal year. The report must detail how the funds were spent and be in a form set by PURA. The act also prohibits these agencies from using more than 10% of this funding for administrative purposes.

EFFECTIVE DATE: Upon passage

§§ 8 & 9 — BOTTLE BILL LABELING EXEMPTION

Exempts from the state's beverage container redemption law's ("bottle bill") labeling requirements certain beverage containers (e.g., juice, tea, coffee, sports or energy drink) in a dealer's inventory as of December 31, 2022

The act exempts certain beverage containers in a dealer's (e.g., retailer's) inventory as of December 31, 2022, from the state's beverage container redemption law's ("bottle bill") labeling requirements.

By law, beginning January 1, 2023, the following beverage containers generally become subject to the bottle bill: hard cider, plant water or plant infused drink, juice or juice drink, tea, coffee, kombucha, sports or energy drink, and any beverages identified as one of these products with letters, words, or symbols on their labels. Among other things, this means that most of these containers must clearly show by embossment, stamp, label, or other method (1) the refund value amount or the words "return for deposit," "return for refund," or other words approved by the

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Department of Energy and Environmental Protection and (2) either the word “Connecticut” or the abbreviation “Ct.” (The second requirement does not apply to certain glass containers.)

The act exempts from the labeling requirements these newly added products’ beverage containers that (1) are part of a dealer’s inventory on December 31, 2022, and (2) do not have the law’s required information to show that they have a refund value.

The state’s bottle bill generally requires that a deposit in the amount of the refund value be charged on each beverage container at the time of purchase (from the distributor to the retailer, and then from the retailer to the consumer). This amount is refunded to the consumer when returning the empty container to the retailer or a redemption center.

EFFECTIVE DATE: Upon passage, and a technical change is effective January 1, 2024.