



General Assembly

Amendment

February Session, 2022

LCO No. 5046



Offered by:

REP. CANDELORA V., 86th Dist.

REP. PISCOPO, 76th Dist.

REP. DEVLIN, 134th Dist.

REP. REBIMBAS, 70th Dist.

REP. O'DEA, 125th Dist.

REP. ZUPKUS, 89th Dist.

To: Subst. House Bill No. 5315

File No. 165

Cal. No. 156

**"AN ACT ESTABLISHING A FINANCIAL WELLNESS TRUST FUND
AND AUTHORIZING THE TREASURER TO ESTABLISH A CENTER
FOR FINANCIAL WELLNESS."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 4-30a of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2023*):

5 (a) (1) All revenue in excess of three billion one hundred fifty million
6 dollars received by the state each fiscal year from estimated and final
7 payments of the personal income tax imposed under chapter 229 and
8 the affected business entity tax imposed under section 12-699 shall be
9 transferred by the Treasurer to a special fund to be known as the Budget
10 Reserve Fund. On and after July 1, 2018, the threshold amount shall be
11 adjusted annually by the compound annual growth rate of personal
12 income in the state over the preceding five calendar years, using data

13 reported by United States Bureau of Economic Analysis.

14 (2) The General Assembly may amend the threshold amount of three
15 billion one hundred fifty million dollars, by vote of at least three-fifths
16 of the members of each house of the General Assembly, due to changes
17 in state or federal tax law or policy or significant adjustments to
18 economic growth or tax collections.

19 (b) After the accounts for the General Fund have been closed for each
20 fiscal year and the Comptroller has determined the amount of
21 unappropriated surplus in said fund, after any amounts required by
22 provision of law to be transferred for other purposes have been
23 deducted, the amount of such surplus shall be transferred by the
24 Treasurer to the Budget Reserve Fund.

25 (c) (1) (A) Whenever the amount in the Budget Reserve Fund equals
26 fifteen per cent of the net General Fund appropriations for the current
27 fiscal year, no further transfers shall be made by the Treasurer to the
28 Budget Reserve Fund and the amount of such funds in excess of that
29 transferred to said fund shall be deemed to be appropriated, as selected
30 by the Treasurer in the best interests of the state, to any combination of
31 the following:

32 (i) [the] The State Employees Retirement Fund, in addition to the
33 contributions required pursuant to section 5-156a, but not exceeding
34 five per cent of the unfunded past service liability of the state employees
35 retirement system as set forth in the most recent actuarial valuation
36 certified by the State Employee Retirement Commission; [, or]

37 (ii) [the] The Teachers' Retirement Fund, in addition to the payments
38 required pursuant to section 10-183z, but not exceeding five per cent of
39 the unfunded past service liability of the teachers' retirement system as
40 set forth in the most recent actuarial valuation prepared for the
41 Teachers' Retirement Board;

42 (iii) The redemption prior to maturity of any outstanding
43 indebtedness of the state selected by the Treasurer in the best interests

44 of the state;

45 (iv) The purchase of outstanding indebtedness of the state in the open
46 market at such prices and on such terms and conditions as the Treasurer
47 determines to be in the best interests of the state for the purpose of
48 extinguishing or defeasing such debt; and

49 (v) The provision for the defeasance of any outstanding indebtedness
50 of the state selected by the Treasurer in the best interests of the state by
51 irrevocably placing with an escrow agent in trust an amount to be used
52 solely for, and sufficient to satisfy, scheduled payments of both interest
53 and principal on such indebtedness.

54 (B) Any surplus in excess of the amounts transferred [to the Budget
55 Reserve Fund and the state employees retirement system or the teachers'
56 retirement system, as applicable,] pursuant to subparagraph (A) of this
57 subdivision shall be deemed to be appropriated for [: (i) Redeeming
58 prior to maturity any outstanding indebtedness of the state selected by
59 the Treasurer in the best interests of the state; (ii) purchasing
60 outstanding indebtedness of the state in the open market at such prices
61 and on such terms and conditions as the Treasurer shall determine to be
62 in the best interests of the state for the purpose of extinguishing or
63 defeasing such debt; (iii) providing for the defeasance of any
64 outstanding indebtedness of the state selected by the Treasurer in the
65 best interests of the state by irrevocably placing with an escrow agent in
66 trust an amount to be used solely for, and sufficient to satisfy, scheduled
67 payments of both interest and principal on such indebtedness; (iv)]
68 making additional payments towards unfunded past service liability of
69 the state employees retirement system or of the teachers' retirement
70 system, as selected by the Treasurer in the best interests of the state, [,
71 or (v) any combination of these methods.] Pending the use or
72 application of such amount, [for the payment of interest and principal,]
73 such amount may be invested in [(I)] (i) direct obligations of the United
74 States government, including state and local government treasury
75 securities that the United States Treasury issues specifically to provide
76 state and local governments with required cash flows at yields that do

77 not exceed Internal Revenue Service arbitrage limits, [(II)] (ii)
78 obligations guaranteed by the United States government, and [(III)] (iii)
79 securities backed by United States government obligations as collateral
80 and for which interest and principal payments on the collateral
81 generally flow immediately through to the security holder.

82 (2) Whenever the amount in the Budget Reserve Fund equals five per
83 cent or more of the net General Fund appropriations for the current
84 fiscal year, the General Assembly may transfer funds in excess of the
85 five per cent threshold from the Budget Reserve Fund, for the purpose
86 of paying unfunded past service liability of the state employees
87 retirement system or of the teachers' retirement system as the General
88 Assembly, in consultation with the Treasurer, determines to be in the
89 best interests of the state. Such payments shall be in addition to any
90 other contributions or payments required pursuant to section 5-156a or
91 10-183z or subdivision (1) of this [section] subsection.

92 (d) Moneys in the Budget Reserve Fund shall be expended only as
93 provided in this subsection and subdivision (2) of subsection (c) of this
94 section.

95 (1) Whenever in any fiscal year the Comptroller has determined the
96 amount of a deficit applicable with respect to the immediately preceding
97 fiscal year, to the extent necessary, the amount of funds credited to the
98 Budget Reserve Fund shall be deemed to be appropriated for purposes
99 of funding such deficit.

100 (2) The General Assembly may transfer funds from the Budget
101 Reserve Fund to the General Fund if any consensus revenue estimate
102 maintained or revised pursuant to section 2-36c for the current
103 biennium projects a decline in General Fund revenues for the current
104 biennium of one per cent or more from the total amount of General Fund
105 estimated revenue on which the budget act or any adjusted
106 appropriation and revenue plan, enacted by the General Assembly for
107 the current biennium, was based. Any such transfer may be made at any
108 time during the remainder of the current biennium.

109 (3) The General Assembly may transfer funds from the Budget
110 Reserve Fund to the General Fund if the consensus revenue estimate
111 maintained or revised not later than April thirtieth annually pursuant
112 to section 2-36c projects a decline in General Fund revenues, in either
113 year or both years of the biennium immediately following such
114 consensus revenue estimate, of one per cent or more from the total of
115 General Fund appropriations for the current year. Any such transfer
116 shall be made in the fiscal year for which such deficit is projected.

117 (e) The Treasurer is authorized to invest all or any part of said fund
118 in accordance with the provisions of section 3-31a. The interest derived
119 from the investment of said fund shall be credited to the General Fund."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>July 1, 2023</i>	4-30a