

Office of Legislative Research  
Connecticut General Assembly



**OLR MAJOR ACTS**

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(Revised)

**NOTICE TO READERS**



These summaries are intended to be brief descriptions of the most significant, far-reaching, and publicly debated acts adopted by the General Assembly in its 2002 Regular and Special Sessions. Not all provisions of the acts are included. The Major Public Acts are posted on the intranet at <http://cgalites/olr/> and on the Internet at <http://www.cga.state.ct.us/olr/>.

The Office of Legislative Research also produces a number of specific reports highlighting legislation in various

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subject areas, including acts affecting children, senior citizens, the environment, and business. Our 2002 Public Act book, which contains detailed summaries of all public acts, will be available in late fall. The Office of Fiscal Analysis Budget Book is available at [www.cga.state.ct.us/ofa](http://www.cga.state.ct.us/ofa)

## **BUDGET AND FINANCES**

### **FY 2002-03 Budget Revisions**

This act reduces the original FY 03 appropriation of \$13,518 million for state agencies and accounts by a net \$300.2 million to \$13,217.8 million. Net FY 03 revenue changes include a General Fund gain of \$453.2 million and a Conservation Fund revenue loss of \$1.3 million. The act provides \$4.6 million to cover an FY 02 Transportation Fund deficiency in the Reserve for Salary Adjustments account, which resulted from approval in July 2001 of a union contract that exceeded the amount budgeted. The act eliminates \$122.6 million in appropriations (net) from anticipated FY 01 surplus by transferring these funds to cover FY 02 General Fund deficiencies (\$96 million) and credits the balance of this amount (\$26.6 million) to the General Fund. The act reduces carryforwards (\$1.9 million) and credits this amount to the General Fund. The act also provides for the carryforward of an estimated \$15.8 million in the General Fund and \$6.1 million in the Transportation Fund for specific agencies and accounts from FY 02 into FY 03.

**FY 01 Surplus Funding Reductions.** The act eliminates \$122.6 million in appropriations (net) from anticipated FY 01

surplus for the following purposes (figures in millions):

- \$(50.0) School Construction
  - (15.0) Mash/Mohegan Grants
  - (14.2) Transp. Strategy Brd.
  - (11.9) Energy Contingency
  - (10.6) Hospital Finance Restr.
  - (10.0) Higher Ed. Matching
  - (40.0) All Other Reductions
- \$ (151.7) Gross Reductions  
29.1 Transfer to Other Progs  
\$ (122.6) Net Reductions  
96.0 Transfer to Deficiencies  
\$ (26.6) Credit Balance to GF

Some of the reductions will be funded through bond funds (e.g. School Construction and Transportation Strategy Board) and through appropriations (e.g. energy costs and the Mashantucket Pequot and Mohegan Fund grant).

**Major Budget Revisions.** The act decreases the original FY 03 appropriation by a net \$300.2 million.

The major budgetary changes from the original FY 03 appropriation are (figures in millions):

<u>Item</u>	<u>FY 03</u>
Budgeted Lapse Increase (including \$94m unallocated, \$35m extraordinary governor's recision	

authority, \$11m managerial wage freeze, \$7m hard hiring freeze

	(\$145.0)
Annualize FY 02 Reductions and Implement 1.5% Cuts	(58.9)
Reduce Teachers' Retirement Funding from 100% to 85%	(32.2)
Restructure Pharmacy Servs.	(16.8)
Increase Urban DSH Grant	15.0
Fund Mash/Mohegan Grant through GF in lieu of FY 01 Surplus	15.0
Delay Nursing Home Rate Incr.	(12.6)
Fund Energy Costs through GF in lieu of FY 01 Surplus	<u>12.4</u>
Total (Net)	\$(223.1)

**Municipal Aid.** Appropriated grants to towns increase by \$39.3 million to \$2,276.5 million in FY 03 from estimated expenditures of \$2,237.2 million in FY 02 and decrease by \$21.3 million from the originally appropriated level of \$2,297.8 million. The revised budget also reduces \$54.2 million in additional assistance to towns from FY 01 surplus (some of which will be funded through bond funds or appropriations) and redirects \$9.3 million of this amount to other grants to towns.

**Revenue Changes.** The act results in a net FY 03 General Fund revenue gain of \$453.2 million primarily from the

following sources (figures in millions):

<u>Item</u>	<u>FY 03</u>
Anthem Demutualization	\$127.2
Transfer from Quasi-Public Agencies	100.0
Various Corp. Tax Increases	71.5
Transfers from Tobacco Funds	66.9
Reduce Petroleum Tax Transfer to the Transportation Fund	26.0
Tax Amnesty Program	22.0
All Other Increases (Net)	<u>39.6</u>
Total (Net)	\$453.2

***Other Related Budget Topics***

**Budget Growth Rate.** The budget growth rate based on passage of the budget for FY 03 over estimated expenditures for FY 02 based on OFA adjustments for all appropriated funds is currently projected to be 1.82%.

**Spending Cap.** Before passage of this act, the FY 03 budget was under the spending cap (based on interpretation of the statutory spending cap) by \$38.5 million. The revised budget provided by this act is calculated to be under the cap by \$363 million in FY 03.

**Budget Reserve (Rainy Day) Fund.** The General Fund ended FY 02 with an operating deficit of \$817.1 million, which represents 6.9% of the budget. The transfer of \$594.7 million (to partially cover the FY 02 deficit in

accordance with law) reduces the Budget Reserve Fund balance to zero. The remaining deficit of \$222.4 million will be financed through an Economic Recovery Debt Retirement Fund established by SA 02-1 (May 9 Special Session). This act provides that the notes will be financed over 5 years ending in FY 08. In addition to the \$222.4 million principal payment, interest costs are estimated to be \$23.4 million for a total payment of \$245.8 million.

**(PA 02-1, May 9 Special Session, surplus reduction and FY 02 deficiency sections are effective upon passage, budget revision sections are effective July 1, 2002, and revenue change sections have various effective dates).**

### **Governor's Temporary Rescission Authority**

A new law allows the governor to make deeper-than-normal cuts in FY 03 budget appropriations after October 1, 2002 without General Assembly approval if he determines (1) immediate action is needed or (2) the state will not be able to full fund all appropriations and his ordinary authority to make cuts is not enough to deal with the situation. Under the new law, he can reduce total appropriations from any fund or any line item by an extra 5%, for a total of 8% from any fund and 10% from any line item. But his authority is limited to \$35 million in all and

he cannot cut Education Cost Sharing or Payment in Lieu of Taxes (PILOT) grants to towns.

**(PA 02-1, May 9 Special Session, effective July 1, 2002).**

### **Taxes**

#### **New Business Tax**

The General Assembly imposed a new \$250 per year tax on any limited liability company or partnership (including single-member LLCs that are not considered separate from their owners for federal tax purposes), limited partnership, or S corporation that has to file its annual report with the secretary of the state. The tax is due on the 15<sup>th</sup> of the fourth month after the close of the business' federal tax year. Businesses that don't pay on time owe 1% interest per month and a \$50 penalty.

**(PA 02-1, May 9 Special Session as amended by PA 02-4, May 9 Special Session, effective upon passage and applicable to income years starting on or after January 1, 2002).**

#### **Minimum Corporation Tax And Credit Limits**

A new law (1) bars companies from using tax credits to reduce their annual corporation tax liability below the \$250 minimum tax, (2) limits the total value of credits a company can take for any income year to 70% of its tax liability without the credits, and (3) limits research and

development (R&D) tax credit refunds to \$1.5 million per company per year starting in the 2002 income year. Refunds for income years starting in 2000 and 2001 that were not paid by July 1, 2002 are limited to \$1 million per company for the state fiscal year in which the initial installment is paid, with any balance paid in two equal installments in the two following fiscal years.

**(PA 02-1**, May 9 Special Session, effective July 1, 2002 and applicable to income years starting on or after January 1, 2002).

### **Diesel Fuel Tax Increase**

The General Assembly increased the state's per-gallon tax on diesel fuel from 18 to 26 cents per gallon as of August 1, 2002. An additional 8-cent-per-gallon excise tax applied to each gallon of diesel that gasoline dealers had in inventory at the end of the day on July 31, 2002. The 8-cent per gallon inventory tax was payable by September 1, 2002.

**(PA 02-1**, May 9 Special Session, effective upon passage and applicable to fuels sold or used in Connecticut on or after August 1, 2002).

### **Tax Amnesty**

The General Assembly established a tax amnesty to run from September 1 to November 30, 2002. It allows anyone who

owes any state tax other than motor carrier road tax, interest, or penalties for any taxable period ending before April 1, 2002 to pay the back taxes and interest and avoid penalties and prosecution. Taxpayers who pay all back taxes and interest by November 30, 2002 receive a 25% reduction in the interest they owe. Taxpayers who are already under Department of Revenue Services (DRS) notice of a tax audit, are parties to state or federal tax litigation on June 1, 2002 or to a losing or managed audit agreement with DRS, or who have offered a compromise that DRS has accepted are not eligible.

**(PA 02-1**, May 9 Special Session, as amended by PA 02-4, May 9 Special Session, effective upon passage).

## **BUSINESS & LABOR**

### ***Minimum Wage Increase***

This act increases the minimum wage from \$6.70 to \$6.90 on January 1, 2003 and to \$7.10 on January 1, 2004. In both cases, if 100.5% of the highest federal minimum wage is higher than these amounts, the federal wage becomes the minimum wage.

The act extends, from December 31, 2002 to December 31, 2004, the sunset date of the tip credit, which gives employers an offset against the minimum wage for certain employees. As a result of the increase and the tip credit extension, the minimum

wage for hotel and restaurant employees will be \$4.88 and \$5.02 in 2003 and 2004, respectively. For bartenders, it will be \$6.33 in 2003 and \$6.52 in 2004.

(**PA 02-33**, effective July 1, 2002)

### ***Development Projects and the Transportation Strategy Board***

Currently, the commissioner of the Department of Economic and Community Development (DECD) and the executive directors of the Connecticut Development Authority (CDA) and Connecticut Innovations, Inc. (CII) must submit an impact statement to the Connecticut Transportation Strategy Board (CTSB) for any project new to the state or for new construction that seeks funding from any of them. Beginning January 15, 2003, this act (1) limits this requirement to projects that meet the State Traffic Commission's threshold requirements for a major traffic generator and (2) requires submission of the impact statement before DECD, CDA, or CII approves the project.

The current impact statement must indicate whether the project conforms to the CTSB's strategy. The act requires, in addition, that each statement (1) describe how the project addresses the CTSB's goals and (2) include any other information the CTSB requires, including (a) the size of any facility proposed in connection with the project and its hours of operation, (b) a

projection of whether the project is likely to increase daily vehicle trips, including truck traffic, and (c) the availability of public transportation to and from the project.

The act requires the CTSB to give the submitting agency any findings or recommendations about the project. The act specifies that it is not be construed to require any delay in implementing a project. And it requires the CTSB, subject to state Freedom of Information Act requirements, to protect any confidential information and trade secrets it receives in connection with an impact statement.

(**sHB 5007**, effective October 1, 2002)

### ***Leases***

Two 2002 acts rewrote the rules on commercial, financial, consumer and other leases.

***General Lease Rules.*** This act codifies the law on leasing goods, fills gaps, and clarifies ambiguities in the Uniform Commercial Code Article 2 on sales and common law contracts and remedies rules. It affects leases (1) that give the lessee possession and the right to use the goods for a period of time in return for rent; (2) made by lessors who are not the fundamental supplier of the leased goods as a means of financing their acquisition (finance leases); and (3) between a merchant and a consumer in

which the lessee takes the lease primarily for a personal, family, or household purpose (consumer leases).

The act provides certain protections for consumers, such as provisions on unconscionable leases, choice of law, and options to accelerate. It establishes criteria for creating and interpreting lease contracts; specifies how a contract must be performed and how it can be modified, rescinded, or waived; establishes criteria for identifying the goods subject to the contract; specifies who can insure the goods and who bears the risk of loss; and imposes express and implied warranties.

The act defines conditions for performance and repudiation of a lease contract, as well as the responsibility of parties when performance is impaired. It creates an extensive structure of remedies if the lessor or lessee defaults.

(**sHB 5653**, effective October 1, 2002)

**Consumer Leases.** This act establishes minimum requirements for consumer leases. It defines a “consumer lease” as one involving personal, family, or household goods that lasts at least four months with a total obligation of up to \$150,000. Among many things, the act:

1. establishes the point in time at which a consumer lease is signed, completed, or terminated;

2. prohibits consumers from waiving rights established by the act—except to settle a dispute;
3. requires consumer leases to be carried out in good faith and prohibits unconscionable conduct;
4. sets rules about property traded in or payments made before a lessor has given the lease its final approval;
5. prohibits lessors from taking a security interest in the consumer’s other property to secure a lease;
6. allows a consumer to recover actual and statutory damages for specified violations; and
7. eliminates the requirement that motor vehicle lessors disclose the “lease rate” of an automobile lease, the lease amount financed, and the lease finance charge.

(**sHB 5248**, effective July 1, 2003, except repeal of the motor vehicle lease rate calculation and disclosure provisions takes effect on July 1, 2002)

### ***Insurance Information Privacy***

This act authorizes the insurance commissioner to adopt regulations establishing security and privacy standards for consumer information that are consistent with the federal Gramm-Leach-Bliley Financial Modernization Act of 1999 and applicable to people and other financial institutions regulated under Connecticut’s insurance laws. The federal law requires all financial institutions, including

insurance companies, to disclose to customers their policies and practices for protecting the privacy of nonpublic personal information. Customers must receive the disclosure when they purchase the insurance and at least annually thereafter. The policies must also allow customers to “opt-out” of information-sharing arrangements with unaffiliated third parties.

The act permits financial institutions to share personal customer information with affiliates. It imposes criminal sanctions on anyone (including firm employees) who obtains or attempts to obtain customer information relating to another person from any financial institution by making false or fraudulent statements to an employee of that financial institution.

(**sSB 352**, effective on passage)

### ***Electronic Transactions***

This act establishes a Connecticut Uniform Electronic Transaction Act (CUETA) based on the National Conference of Commissioners on Uniform State Laws’ model act. The model act provides uniform rules governing electronic commerce transactions.

CUETA establishes a legal foundation for the use of electronic communications in transactions where the parties have agreed to conduct business electronically. It validates the use of electronic records and

signatures and places electronic commerce and paper-based commerce on the same legal footing. An “electronic record” is one created, generated, sent, communicated, received, or stored by electronically. Emails, faxes, and Internet messaging are examples of electronic records. “Electronic signatures” are electronic sounds, symbols, or processes that people attach to or logically associate with a record to indicate their signature. CUETA supersedes and repeals the 1999 electronic records and signature law.

(**sSB 561**, effective October 1, 2002)

### ***Credit Unions***

This act significantly reorganizes the laws that govern credit unions by:

1. modifying the process for organizing and establishing a Connecticut credit union;
2. allowing credit unions to make member business loans;
3. authorizing credit unions to invest their surplus funds in additional securities, funds, obligations, and real estate;
4. increasing the authority of credit unions’ governing boards and executive, supervisory, and credit committees;
5. expanding the role credit union service organizations play in assisting credit unions and their members;
6. requiring credit unions to have policies addressing conflicts of interest and



- insider transactions;
- 7. creating basic service and corporate credit unions;
- 8. updating credit union merger and conversion policies; and
- 9. allowing members to vote on their credit union's proposed dissolution.

The act also (1) applies banking law principles of receivership and insolvency to credit unions; (2) allows the banking commissioner to apply for an injunction, receiver, or conservator for a credit union under certain circumstances; (3) allows a share account holder to pledge his credit union interest to another person, and (4) applies to credit unions current banking law provisions on adverse claims.

(sHB 5316, effective October 1, 2002)

***Identifying Hazardous Waste Facilities Before Property Purchases***

This act allows a seller and real estate licensee to satisfy fully any duty to disclose to a purchaser the presence of hazardous waste facilities in a one-to-four family house by giving him written notice of the availability of the list of hazardous waste facilities kept by municipal clerks. The duty to disclose is satisfied even if the required list (1) has not been submitted, received, or made available or (2) contains an error, omission, or inaccuracy. The act prohibits anyone from interpreting it to impose liability on a seller or real estate licensee

for failing to disclose the existence of hazardous waste facilities. It also specifies that sellers and licensees are not required to compile or contribute to compilation of the list.

The act eliminates the right of a real estate purchaser or lessee, while making a bona fide offer, to ask the owner or his agent in writing if they know whether the occupant is, was suspected to be, or has been, infected with HIV.

(sHB 5456, effective October 1, 2002)

**CHILDREN AND FAMILIES**

***Sexual Assault Of A Minor***

This act:

1. increases the classification of and maximum penalty for sex crimes involving minors under age 16;
2. requires courts to include a five-year period of special parole in any sentence for first-degree aggravated sexual assault;
3. extends, from two to 30 years after the victim reaches age 18 or up to five years from the date he notifies the police or a prosecutor of the crime, the statute of limitations for prosecuting sexual abuse, sexual exploitation, or sexual assault of a minor, except when the offense is a class A felony;
4. extends, from 17 to 30 years after age 18, the civil statute of limitations for a minor victim of sexual abuse, sexual

- exploitation, or sexual assault to file a personal injury action based on the crime;
5. eliminates the statute of limitations for bringing a personal injury action to recover damages caused by sexual assault when the party legally at fault for the injury is convicted of first-degree sexual assault or first-degree aggravated sexual assault for such conduct;
  6. makes numerous changes to the mandated reporter statutes, including adding to the list of such reporters and requiring those who fail to report to attend a training program;
  7. establishes a 23-member advisory committee to make recommendations on the need for a sexual offender risk assessment board and the process for reporting people in state custody or receiving state service who are at risk of engaging in illegal sexual behavior;
  8. prohibits courts from entering orders or judgments or approving settlements that prevent or restrict anyone from reporting to the Department of Children and Families commissioner or a law enforcement agency allegations of sexual abuse, sexual exploitation, or sexual assault of a minor that were the subject of a personal injury action for damages; and
  9. makes a teacher's personal misconduct records public and subject to disclosure

under the Freedom of Information Act without his consent.

**(sHB 5680**, effective October 1, 2002 except (1) the provisions extending the criminal statute of limitations is effective upon passage and applicable to crimes committed on and after that date; (2) provisions eliminating secrecy in personal injury actions involving minor victims and establishing an advisory committee are effective upon passage; and (3) the two civil statute of limitations provisions are effective upon passage and applicable to any cause of action arising from an incident committed prior to, on, and after that date.

### ***Sexual Assault by a Coach Or Instructor***

This act makes it a crime for an athletic coach or a person who provides intensive, ongoing instruction to engage in sexual intercourse or have sexual contact with someone receiving that coaching or instruction who is either a secondary school student receiving coaching or instruction in school or under age 18.

The act makes sexual intercourse under these circumstances second-degree sexual assault, punishable by one to 10 years in prison (with a nine-month mandatory minimum), a fine of up to \$10,000, or both. It makes sexual contact under these circumstances fourth-degree

sexual assault, punishable by up to one year in prison, a fine of up to \$2,000, or both.

The act adds intramural or interscholastic coaches to the list of mandated child abuse reporters, which also includes schoolteachers, principals, and school paraprofessionals. It raises the penalty for any mandated reporter who fails to report from up to \$500 to between \$500 and \$2,500.

(**sHB 5722**, effective October 1, 2002)

### ***Designating Representatives***

This act requires people to honor documents an adult executes designating another adult to make certain decisions on the maker's behalf and giving the designee limited rights or responsibilities. The act applies to documents used:

1. in psychiatric hospitals, when informed consent for medical treatment is required from someone other than the patient;
2. in nursing homes, when private visitation and room transfer decisions are made;
3. in health care settings, when medical personnel (a) need information about a patient's wishes from people other than the patient or (b) plan to withdraw life support;
4. in the workplace, when an employee receives an emergency telephone call;
5. in court and administrative proceedings involving crime victims; and

6. upon death of the maker, regarding ownership to the maker's motor vehicle.

The act also allows a person who is the only owner of a motor vehicle to designate in writing on the registration certificate a beneficiary who will assume ownership on his death.

The act requires the Judiciary Committee to meet and deliberate the public policy reasons for permitting or prohibiting the marriage or civil union of two people of the same sex. The committee must report to the General Assembly by January 1, 2003.

(**HB 5763**, effective October 1, 2002, except the provision requiring the Judiciary Committee to deliberate and report to the legislature is effective upon passage and the provisions concerning motor vehicle transfers are effective January 1, 2003)

### ***Educational Support Orders***

This act permits judges and family support magistrates to order divorced or divorcing parents, parents whose marriage is annulled, and parents who never married to support their children until they reach age 23 for up to four full academic years when they attend college or vocational programs after high school. Courts can do this only if they find it more likely than not that the parents would have provided this support if the family remained intact. The act specifies other circumstances

courts must consider and conditions the parents and students must satisfy.

The act states that it does not (1) create a right of action by a child for parental support for higher education or (2) require support for graduate or post-graduate education. It applies to cases where the first child support order is entered on or after October 1, 2002.

(**sHB 5088**, effective October 1, 2002)

### ***Domestic Violence***

This act (1) makes violating a family violence restraining order a crime; (2) increases the penalty for violating a protective order; (3) subjects restraining order violators to enhanced penalties as persistent offenders; (4) requires state marshals to give copies of *ex parte* restraining orders to police officials; and (5) requires courts to give certain information to people who apply for restraining orders.

(**sSB 334**, effective October 1, 2002)

## ***CRIMINAL JUSTICE***

### ***Drunk Driving***

This act creates a uniform .08% blood alcohol content (BAC) threshold for the offense of driving with an elevated BAC. In Connecticut, someone can be prosecuted for driving while under the influence of alcohol or driving with an elevated BAC. The former offense may be

prosecuted with or without direct evidence of a person's BAC. But under prior law, prosecuting the latter offense against someone over age 21 required evidence of a BAC of .10% or more for a first offense or a .07% BAC for someone with a previous conviction for drunk driving. The act eliminates these distinctions and the infraction offense of driving while impaired, which was charged when someone was found driving with a BAC between .07% and .099%.

The act opens up the Pretrial Alcohol Education Program to anyone under age 21 charged with a first offense of driving with a BAC of .02% or above ("zero tolerance"). Previously, someone under age 21 charged under the zero tolerance was ineligible for the program, although all other provisions if the drunk driving laws still applied to him. Someone under age 21 could only participate in the program if he was charged with driving under the influence or driving with a BAC of .10% or more. The act also makes several financial and procedural changes in this program.

(**PA 02-1**, MSS, effective July 1, 2002)

## ***EDUCATION***

### ***Bullying and the Pledge of Allegiance in Schools***

This act requires all school boards to develop a policy (1) addressing bullying and (2)

ensuring that time is available during each school day for students to recite the Pledge of Allegiance. The act states that it is not to be construed to require anyone to recite the pledge.

The act defines bullying as repeated, overt acts by one or more students on school grounds or at a school-sponsored activity that are intended to ridicule, humiliate, or intimidate another student. Each district's bullying policy must be developed for use starting February 1, 2003 and must, among other things:

1. permit anonymous reports of bullying by students and written reports by parents or guardians and require school administrators to investigate them;
2. require each school to maintain a publicly available list of the number of verified bullying acts that occurred there;
3. require notice to parents or guardians of all students involved in a verified act of bullying, which must describe the school's response and any consequences that may result from further acts of bullying; and
4. include an intervention strategy for school staff to deal with bullying and language about bullying in student codes of conduct.

(**sHB 5425**, effective July 1, 2002 for the bullying policy, October 1, 2002 for the Pledge of Allegiance policy)

## **21<sup>st</sup> Century UConn**

The legislature added a third phase to UConn 2000, the capital improvements program for the University of Connecticut. Phase III extends the program, previously scheduled to end in 2005, for an additional 10 years, through 2015. The act allows the UConn board of trustees to borrow \$1.25 billion for 51 Phase III projects and increases its authorized borrowing for Phase I and II projects by \$50 million to \$1.03 billion. The act also gives UConn construction authority over all projects on its campuses regardless of when they are authorized and carried out and requires UConn to consider its contractors' and their subcontractors' past compliance with state wage and hour laws.

(**PA 02-3**, May 9 Special Session, effective July 1, 2002)

## **ENVIRONMENT**

### ***Protecting Long Island Sound***

This act establishes moratoriums on final approval of (1) proposals to build energy and telecommunications lines through Long Island Sound and (2) overland electric transmission lines from Bethel to Norwalk.

It establishes a one-year moratorium on consideration or final approval of applications (including pending applications) to build a gas pipeline, electric power line, or telecommunications line across the Sound. It exempts from the

moratorium applications limited solely to maintaining, repairing, or replacing such lines now used to provide service to certain Connecticut customers. It specifically exempts the replacement of existing electric cables in the corridor from Norwalk to Northport, N.Y.

The act requires a task force led by the Institute of Sustainable Energy at Eastern Connecticut State University to complete a comprehensive environmental assessment and plan of the Sound's natural resources by the end of the moratorium period. When the assessment is completed, the act requires the Department of Environmental Protection (DEP), the Connecticut Siting Council, and any other state agency, to evaluate any application for an electric power line, gas pipeline, or telecommunications line crossing the Sound, additionally for its: (1) likelihood, based on information contained in the assessment, to impair the public trust in Long Island Sound; (2) consistency with the assessment's recommendations; and (3) individual and cumulative environmental impact, as anticipated by the assessment.

The act requires the Siting Council to ask the Federal Energy Regulatory Commission (FERC), within 15 days of the act's passage, not to approve any new electric power line, gas pipeline, or telecommunications crossing until the assessment is completed, and that FERC avoid

environmental damage to the Sound to the greatest extent possible by considering the assessment's recommendations when licensing a project. If FERC does consider a gas pipeline application, the act requires the Siting Council and other state agencies with jurisdiction to review the project and recommend to FERC siting, construction procedures, and environmental mitigation measures that conform with the assessment, to the extent such information is available.

The act prohibits any state agency from granting final approval for applications, including pending applications, relating to existing electric transmission lines from Bethel to Norwalk, until February 1, 2003. But it allows routine maintenance and repair of such lines. It requires the Institute for Sustainable Energy to lead a working group to study the economic, environmental, reliability, operational, technical, power, and safety aspects of installing such lines and requires it to report its findings and recommendations by January 1, 2003. After this report is published, the act requires DEP and the Siting Council to determine whether any decision or opinion on any application is consistent with its findings. It bars any applicant who elects to proceed with his application despite the moratorium from accruing legal rights or financial entitlements.

(sHB 5609, effective upon passage)

### ***Older Power Plant Emissions***

This act limits, as of January 1, 2005, the use of emissions credit trading as a way of meeting DEP regulatory standards for sulfur dioxide emissions from older power plants. It allows trading only when (1) the DEP commissioner orders its use to offset excess emissions when he suspends the standards due to a shortage of low-sulfur fuel or (2) the restriction threatens the reliability of electricity supply. The act specifies that these provisions do not suspend any underlying DEP regulatory procedures or requirements regarding sulfur dioxide emissions.

The act also codifies with several changes, as of January 1, 2005, (1) the DEP's regulatory emissions standards that go into effect on January 1, 2003 and (2) the provisions that allow the commissioner to suspend these standards.

The act specifies that its provisions do not impair the commissioner's ability to waive, with regard to a "must-run" plant, any sulfur dioxide emissions limit or other permit limits, as are permitted under current state or federal law. A "must-run" plant is one ordered to run by the Independent System Operator, which, administers the New England power grid. The act allows the

commissioner to attach conditions on such a waiver that he considers necessary to mitigate any adverse environmental or public health impacts.

The act broadens a provision that covers, with a charge imposed on electric bills, costs associated with employees dislocated by electric industry restructuring.

(sHB 5209, effective January 1, 2005 for the emissions provisions and January 1, 2004 for the dislocated employee provisions)

### ***Mercury Education and Reduction***

This act establishes a comprehensive scheme governing sale, use, distribution, disposal, and notice requirements for mercury and many products that contain it. It requires manufacturers to notify the DEP commissioner of their products' mercury content and imposes other notice requirements. It restricts the sale of a number of mercury-added products (those to which mercury has been intentionally added), phasing down their maximum allowable mercury content. Starting January 1, 2003, it generally bans the sale of mercury thermometers, mercury-containing novelties, and other products.

The act requires the commissioner to participate in and consult with a multi-state clearinghouse and to serve as its

designated agent to help coordinate and carry out the act's requirements.

It requires mercury-added products and their packaging to be labeled as to their mercury content and requires manufacturers of these products to develop a system to collect and recycle them and report to DEP on its effectiveness. The collection requirements do not apply to certain products, including cosmetics and pharmaceuticals meant to be totally consumed during use, and photographic film and paper. The commissioner must review state mercury waste handling regulations and may, if necessary, amend them to facilitate collection.

The act allows the commissioner to implement an education, outreach, and assistance program for households and affected parties and to develop an awards program to recognize those who excel in reducing or eliminating mercury in air emissions.

**(sHB 5539**, effective July 1, 2002, with notice requirements taking effect January 1, 2003 and applying to mercury-added products manufactured after that date; collection requirements taking effect July 1, 2003 and applying to such products manufactured after that date; and labeling requirement and the first stage of the phase-down requirements taking effect July 1, 2004 and applying to mercury-added products manufactured after January 1, 2004).

## **HEALTH & HUMAN SERVICES**

### ***Quality Health Care Program and Reporting Adverse Events***

This act requires the Department of Public Health (DPH) to establish a quality of care program for health care facilities. DPH must develop a health care quality performance measurement and reporting system initially applicable to hospitals. Other health care facilities come under the quality program as it develops in later years. A committee, chaired by the DPH commissioner, advises the program.

The act directs DPH to produce a report that compares the state's hospitals based on quality performance measures. It requires all hospitals to implement performance improvement plans, which must be submitted annually to DPH as a condition of licensure beginning June 30, 2003. It allows DPH to seek and apply for funding to implement the quality of care program and requires it to do so when it receives this funding.

The act requires hospitals and outpatient surgical facilities to report adverse events to DPH. An "adverse event" is an injury caused by or associated with medical management that results in death or measurable disability.

**(sHB 5715**, effective October 1, 2002, except July 1, 2002 for the adverse event provisions).



## **Reporting Prescription Errors**

This act requires the consumer protection commissioner to adopt regulations requiring pharmacies to establish quality assurance programs designed to detect and prevent prescription errors. It defines a "prescription error" as an act or omission of clinical significance in dispensing a drug that results in, or may reasonably be expected to result in, a patient's injury or death. Pharmacies must report errors to the prescribing practitioner, the patient, or the caregiver or appropriate family member of a patient who is dead or cannot comprehend. In addition, the act requires each pharmacy to (1) post signs and include notices on receipts or in prescription packaging informing consumers of how to report prescription errors and (2) keep records about errors.

(**sSB 504**, effective October 1, 2002)

## **Prescription Drugs**

**ConnPACE.** A new law increases the \$12 per-prescription copayment to \$15 for some people who enter the ConnPACE program on or after September 1, 2002, based on their annual incomes, marital status, and the date they first become eligible. Generally, the new law retains the \$12 copayment for low-income participants. But someone who is

a participant before September 1, 2002 and then reapplies after a period of ineligibility will have to pay the same copayments as those who first join the program on or after September 1, 2002. The copayment could reach \$20 for new applicants with higher incomes if the federal government approves a waiver allowing people with incomes up to 300% of the federal poverty level to participate.

(**PA 02-7**, May 9 Special Session, effective September 1, 2002)

**Prescription Drug Prior Authorization.** A new DSS prior authorization plan for prescription drugs dispensed under its Medicaid, ConnPACE, state- and town-administered general assistance, and Connecticut AIDS drug assistance pharmacy programs is scheduled to take effect in late 2002 or early 2003. Prior authorization is required for initial prescriptions for (1) brand-name drugs for which a chemically-equivalent generic is available, (2) drugs costing more than \$500 per month, and (3) early refills.

A new law specifically requires the DSS commissioner to implement this plan. It also requires prior authorization for less than a 15-day supply of any initial brand name maintenance drug for which there is a chemically equivalent generic substitute; the approved plan had exempted these smaller quantities. The new law also

seems to exempt atypical antipsychotic drugs that the patient is already taking when the pharmacist receives the prescription.

(PA 02-7, May 9 Special Session, effective upon passage)

**Preferred Drug List.** The legislature established an 11-member Medicaid Pharmaceutical and Therapeutics Committee to recommend a preferred drug list to DSS, which must adopt it. The committee must review all drugs on the list at least every 12 months, to the extent possible. It can recommend that drugs be added or taken off the list. Any drug not on the list will require prior authorization, apparently except for mental health-related and anti-retroviral (HIV and AIDS) drugs. The committee can make recommendations to DSS regarding prior authorization of any Medicaid-covered drugs. Medicaid recipients can appeal the preferred drug list determinations through a department fair hearing.

The committee must ensure that drug manufacturers who agree to provide supplemental rebates to the state are given the opportunity to present evidence that supports adding their product to the list. But another new law voids that provision if a court of competent jurisdiction, in a final decision, decides that the federal health and human services secretary is not authorized to allow such rebates. It specifies that the inability to

use these supplemental rebates does not impair the committee's ability to maintain a preferred drug list.

(PA 02-1, May 9 Special Session, effective July 1, 2002, as amended by PA 02-7, May 9 Special Session, effective upon passage)

### **Extending Group Insurance Health Benefits**

This act requires health insurers to offer policyholders and their dependents the option to continue group coverage during illness, injury, and certain disabilities, regardless of their eligibility for other group coverage. Insurers must provide the option to (1) employees who are out of work due to illness or injury and their dependents or (2) employees, their spouse, and dependents who are totally disabled on the date the group policy terminates.

Coverage due to illness or injury must continue through the illness or injury or for up to 12 months, beginning on the first day the employee is absent from work. Coverage for the totally disabled must continue for 12 months following the month the policy is terminated, if a claim for coverage is made within one year of the termination.

(PA 02-55, effective October 1, 2002)

### ***Increasing Access to Food Stamps***

This act more than doubles the value of a car Food Stamp applicants and recipients can own. It requires the Department of Social Services (DSS) commissioner to allow them to own a car valued up to \$9,500, instead of the current \$4,650, by tying the limit to the one used for the state's Temporary Family Assistance program (TFA, cash assistance for families). It also requires DSS to pursue the maximum Food Stamp benefit extension allowed for families leaving the Temporary Assistance for Needy Families (TANF) program (which funds the TFA program). Federal regulations allow states to extend benefits for these families for up to three months.

(PA 02-37, effective July 1, 2002 for the motor vehicle allowance and October 1, 2002 for the benefit extension)

### ***Smoking Cessation***

This act requires the DSS commissioner to amend the state's Medicaid plan to cover smoking cessation treatment ordered by a physician, advanced practice registered nurse, physician assistant, or other professional licensed to prescribe drugs. Prior law allowed the commissioner to include physician-ordered coverage in the plan, up to a \$400 annual limit. The act requires the commissioner to submit her plan

to the Human Services and Appropriations committees by January 1, 2003 and to implement it on July 1, 2003, if they approve it and funding is included in the FY 2003-04 budget.

(PA 02-4, effective July 1, 2002)

### **LOCAL GOVERNMENT** ***Affordable Housing Land Use Appeals***

This act makes several changes to the affordable housing appeals procedure law, including extending, from three to four years, the length of an appeals procedure moratorium that towns can attain. It also extends, by one year, any moratorium in effect on October 1, 2002. By law, a town qualifies for a moratorium by showing the DECD commissioner that it meets a specific threshold of affordable housing units.

The act also adds deed-restricted mobile manufactured homes and accessory ("in-law") apartments to the list of housing units that count toward a town earning an appeals procedure exemption. The deed restriction must (1) be recorded on the land record; (2) last 10 years; and (3) require the units to be sold or rented at prices so that individuals or families, whose income is at most 80% of the median income, will pay no more than 30% of their income.

(sHB 5434, effective October 1, 2002)

### ***Property Revaluation***

This act allows a town with relatively stable property values to earn an exemption from its next scheduled property revaluation if it is scheduled between October 1, 2003 to October 1, 2007. The act authorizes the Office of Policy and Management (OPM) to rescind exemptions and impose penalties if a review committee it establishes finds that a town did not comply with the act and used the exemption process to subvert revaluation requirements. The OPM secretary appoints the 11-member committee to review the accuracy of the statistical data and calculations towns use to certify revaluation exemptions. It consists of local assessors, representatives from towns of various sizes, people with expertise in statistical analysis, and an OPM employee.

(sSB 74, effective on passage)

### ***Confidentiality of Military Discharge Documents & Veterans' Taxes***

This act:

1. with a few exceptions, requires public agencies that receive military discharge documents to keep them separate and apart from their other records and to keep them confidential for at least 75 years after the date they are filed;
2. gives the public access to the chief medical examiner's reports, autopsies, and other

- scientific findings related to a person who was in state custody at the time of death;
  3. gives members of the public the right to copy public records using hand-held scanners; and
  4. allows municipalities to increase their optional property tax assessment reduction for low-income wartime veterans and their surviving spouses;
- (sHB 5625, effective October 1, 2002, with the veterans' property tax change effective July 1, 2002)

### **RESPONDING TO TERRORISM**

#### ***Making Terrorism a Crime***

This act:

1. creates the crimes of terrorism and fabricating weapons involving chemicals, disease organisms, or radiation;
2. increases the penalty for hindering prosecution of a person who committed, for terrorist purposes, a class A or B felony or an unclassified felony for which the possible prison term is more than 10 years;
3. creates the crimes of (a) damage to public transportation property for terrorist purposes, (b) contaminating a public water or food supply for terrorist purposes, and (c) criminal misrepresentation;
4. increases the penalty for most computer crimes done to further terrorist purposes;

5. adds to the list of crimes that can be the subject of a grand jury investigation or a wiretap order felonies involving the unlawful or threatened use of physical force or violence with intent to intimidate or coerce civilians or a government unit;
6. makes increasing prices during an emergency an unfair trade practice;
7. provides that wiretap evidence obtained validly under federal law is admissible in state court regardless of state wiretap laws; and
8. reduces the penalty for certain types of threats.  
(**sHB 5759**, effective October 1, 2002)

***Helping the Victims of the Terrorist Attacks***

This act:

1. requires the Department of Motor Vehicles, beginning January 1, 2003, to issue a commemorative license plate with a design that enhances public solidarity following the September 11, 2001 terrorist attacks;
2. waives tuition at the University of Connecticut, Connecticut State Universities, and community-technical colleges for surviving spouses and dependent children of Connecticut residents killed in the September 11, 2001 attacks or anthrax attacks occurring between September 11 and December 31, 2001;
3. exempts victims of these

- attacks and their estates from the state income tax for the 2001 tax year; and
4. requires the governor annually to proclaim September 11 as “Remembrance Day” for the purpose of memorializing those killed and injured in the September 11, 2001 attacks and honoring the service, sacrifice, and contributions of police, fire fighters, and others who responded to the attacks.  
(**sSB 102**, effective on passage, with the license plate and Remembrance Day provisions effective on July 1, 2002)

**STATE GOVERNMENT  
Connecticut Resources  
Recovery Authority (CRRA)  
Controls**

This act:

1. vests the powers of the CRRA board of directors in members who take office on June 1, 2002;
2. increases, from two to five, the number of directors who must represent towns that are members of the authority;
3. establishes criteria for certain other directors;
4. creates a steering committee of directors who must establish and implement a financial restructuring plan for the authority between June 1 and December 31, 2002;
5. requires the CRRA board to report on its efforts to

- mitigate the effects of lost revenue from the CRRA-Enron-Connecticut Light and Power Company transaction and to send copies of audit reports to the Finance, Revenue and Bonding Committee;
6. authorizes the attorney general to supervise legal matters and claims related to the CRRA-Enron-Connecticut Light and Power Company transaction;
  7. allows CRRA to borrow up to \$115 million from the state, under certain conditions;
  8. requires the state treasurer's approval before CRRA can issue any debt backed by a state capital reserve fund;
  9. requires, rather than permits, contracts for various authority functions to be awarded by competitive bidding or competitive negotiation and requires the board to develop written contract procedures that include standards for award procedures;
  10. allows CRRA to become an electric supplier, if it gets a license from the Department of Public Utility Control;
  11. requires CRRA performance incentive plans for its officers and employees to be (a) written, (b) based on the performance of the authority and the person, (c) applicable to all officers and employees, and (d) approved by the board;
  12. prevents quasi-public agencies and state agencies

from retaining a lobbyist but permits their directors, officers, and employees to lobby on the agencies' behalf;

13. requires CRRA to post specified records and information on the Internet; and
14. requires the Program Review Committee to study whether CRRA's powers and duties should be exercised by a state agency or a quasi-public agency.

**(PA 02-46**, effective upon passage for most provisions and January 1, 2003 for those on contracting, incentive plans, lobbying, and Internet postings)

### ***Cigarette Taxes***

This act increases the cigarette tax from 50 cents to \$1.11 per pack of 20 (25 to 55.5 mills per cigarette), starting April 3, 2002.

**(PA 02-1**, effective April 3, 2002)

### ***Whistleblowing by State and State Contractor Employees***

This act establishes an alternative process for disposing of allegations of retaliation filed by employees of the state, quasi-public agencies, and large state contractors who have made whistleblower complaints against their employers. It requires the chief human rights referee to adopt regulations that establish the procedure for filing complaints, giving notice, and

conducting hearing under the new process.

It creates a rebuttable presumption that any personnel action taken or threatened against a whistleblower is retaliatory if it occurs within one year of the complaint.

(**sHB 5487**, effective on passage)

### ***State Financial Assistance Accountability***

This act establishes a procedure to ensure that businesses receiving state economic development assistance comply with the terms and conditions of their assistance agreements. The procedure requires state agencies providing this assistance to notify businesses when they fail to comply with the agreements and to recover the assistance if the noncompliance persists. The act requires the agencies to impose liens on any security they required as a condition for providing assistance.

The act permits DECD, CDA, and CII to recover assistance from businesses that failed to meet their job creation and retention goals when it was in their power to do so. It also allows these agencies to modify the terms and conditions for their assistance when it is in the best interest of the state or local community. The modifications can include forgiving loan repayments, revising job creation and retention goals, and changing interest rates. They

must notify the State Bond Commission about any changes.

(**sHB 5402**, effective July 1, 2002 with the notice and compliance provisions effective October 1, 2002)

SS:eh/tjo