

Office of Legislative Research
Connecticut General Assembly



OLR MAJOR ACTS

May 7, 2004 (Regular Session and May 2004 Special Session)

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(Revised)

NOTICE TO READERS



These summaries are intended to describe briefly the most significant, far-reaching, and publicly debated acts adopted by the General

Assembly in its 2004 regular session and May 2004 special session. Not all provisions of these 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 subject areas, including acts affecting children, senior citizens, the environment, and business. Our 2004 Public Act Summary book, which contains detailed summaries of all public acts, will be available this fall.

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BUDGET AND FINANCES

This year's budget act increases the original FY 2004-05 appropriation for state agencies and accounts enacted last year by \$261.6 million to \$14,317.8 million. It also increases by \$234.9 million, including \$90.5 million for current year deficiencies, the FY 2003-04 appropriation. The FY 2004-05 appropriation is a 3.24% increase over the adjusted FY 2003-04 appropriation. The revised FY 2004-05 budget is \$133.3 million under the spending cap.

The act increases the maximum property tax credit against the personal income tax from \$350 to \$500 for income years starting on or after January 1, 2005.

The added appropriations are to be used for, among other items:

1. \$88.2 million in grants to towns;
2. \$4.6 million to reduce the number of people on the Department of Mental Retardation's (DMR) waiting list for residential supports and services;
3. \$5 million for private social service providers operating under contracts with DMR and the departments of Children and Families, Mental Health and Addiction Services, Corrections, and other state agencies;
4. \$14.25 million to repeal the Medicaid co-payments required last year and \$17.69 million to restore the Medicaid benefit package and eliminate proposed premiums;

5. \$1.25 million to eliminate the ConnPACE asset test and estate recovery requirements;
6. \$25.3 (from the anticipated FY 2003-04 surplus) for the Higher Education State Matching Grant program, which provides \$1 in state funds for every \$2 in private funds raised by the constituent units of higher education, up to a certain level;
7. \$1 million in financial aid for students at the state's public and private colleges and universities;
8. \$13.4 million to enhance justice and prisoner recidivism reduction efforts, including funding for more drug treatment and halfway house beds and probation officers; and
9. \$3.4 million to add more state troopers.

The budget also anticipates saving an additional \$12.5 million by expanding the preferred drug list in the Medicaid, ConnPACE, and State Administered General Assistance programs (SAGA).

Finally, the budget act eliminates the governor's authority to make up to \$55 million in deeper-than-normal rescissions in FY 2004-05 appropriations if the state fails to receive at least that amount in extraordinary federal assistance during the fiscal year. This extraordinary authority permitted the governor to reduce total appropriations from any fund or individual appropriation by up to 5% over his ordinary rescission

authority if that authority was not sufficient to cope with a budgetary exigency or insufficient resources.

(**HB 5692**, effective on various dates)

Bonding

The General Assembly authorized general obligation bonding, including: (1) \$138.9 million for FY 2003-04 for asbestos abatement projects in state buildings and capital projects for the community-technical colleges and Connecticut State University and (2) \$56.7 million for FY 2004-05 for a new science building and various facility renovations, alterations, and improvements at Eastern Connecticut State University. It also allowed \$7.115 million in existing bonding to be used to consolidate Gateway Community Technical College at a single location.

(**PA 04-3, sSB 30**, effective on passage)

Abandoned Property Sales and Fund Bonds

The act allows the treasurer to liquidate all types of unclaimed property as soon as she takes custody of it, instead of waiting at least one year before selling most property and at least three years before selling abandoned securities and other business ownership interests. It expressly permits her to immediately liquidate all unclaimed securities she is currently holding, a provision that results in \$50 million in additional revenue in FY 2004-05.

The bill authorizes the state to issue, by June 30, 2005, up to \$60

million in seven-year special obligation abandoned property fund bonds to support state General Fund programs. It establishes a Special Abandoned Property Fund to secure the bonds and requires the treasurer to deposit into it all cash proceeds realized from the sale of abandoned property the treasurer takes into custody. Under the act, neither the state nor its political subdivisions have any direct or contingent general obligation to repay the abandoned property fund bonds. The act exempts the bonds from statutory state debt limits. The act is estimated to produce \$40 million of revenue in FY 2004-05.

(**HB 5632**, effective on passage)

Sales Tax Free Week

The act restores a sales tax exemption for clothing and footwear costing less than \$300 that applies during the fourth week of August (the third Sunday of the month to the following Saturday) every year. The “sales-tax-free week” was scheduled for elimination on July 1, 2004.

(**sSB 35**, effective July 1, 2004 and applicable to sales on or after that date)

BUSINESS AND LABOR

Income Tax Refund Anticipation Loan Disclosures

This act requires refund anticipation loan facilitators to disclose certain facts when a borrower applies for the loan. A “refund anticipation loan” is a loan

arranged to be paid directly from the proceeds of the borrower's income tax refund.

When a borrower is completing a loan application, the bill requires a facilitator to disclose in a separate document:

1. the estimated fee for preparing and electronically filing a tax return,
2. the refund anticipation loan fee schedule,
3. the annual percentage rate (APR) using guidelines established by official staff interpretations of Regulation Z of the federal Truth in Lending Act,
4. the estimated total cost to the borrower for the refund anticipation loan,
5. the estimated number of days within which the loan will be paid if the borrower's application is approved,
6. that the borrower must repay the loan and related fees if the tax refund is not paid or not paid in full, and
7. that electronic filing is available and the average time the Internal Revenue Service says a consumer can expect to receive a refund if the return is filed electronically and the borrower does not obtain an anticipation loan.

(**SB 476**, effective October 1, 2004)

Construction Contracts

This act applies the existing private sector construction contract law to all types of private sector construction work and specifies that it applies to nonprofit corporations.

It specifies that the exemption from the law for United States government contracts includes contracts funded or insured by the federal Department of Housing and Urban Development (HUD). The law exempts state, federal, and municipal construction contracts and contracts intended for residential occupancy containing four or fewer units. The act also exempts a contract between an owner and contractor valued at \$25,000 or less and the subcontracts that result from it.

The act makes the use of statutory default payment schedule provisions mandatory. It requires parties to pay within 30, instead of 15, days after receiving a payment demand.

Finally, it establishes a subcontractor's right to sue an owner for payment. The act requires each owner who has failed or neglected to pay a contractor for labor or materials required by a construction contract to pay promptly when demanded to do so by someone who has not been paid by the contractor. If the owner fails to make the payment, the act gives the person making the demand a direct right of action against the owner in the Superior Court for the judicial district in which the construction project is located. The owner's obligations to make direct payments to the contractor, subcontractors, or suppliers giving notice under this provision is limited to the amount owed to the

contractor by the owner for work performed under the contract as of the date the notice was sent.

(**SB 477**, effective October 1, 2004)

Debarment Reform

This act expands the state's debarment law by barring general contractors working on public projects (state or municipal) from awarding work to subcontractors who have violated the prevailing wage law. Under the existing law, state and municipal agencies are prohibited from awarding construction contracts to firms that have violated the prevailing wage law. Debarment lasts three years. The act requires a subcontractor to submit a sworn affidavit to the general contractor that he does not hold an interest of 10% or more in any firm on the debarment list before he can work on a prevailing wage project.

The act establishes a \$1,000-per-day civil penalty for prevailing wage violators who perform work on a public construction project.

(**PA 04-102, SB 57**) effective October 1, 2004)

Gasoline Prices

This act prohibits gasoline and motor fuel refiners and distributors from requiring or coercing franchisees (which can be either distributors or retailers) from selling gasoline at a specific price or in a specific price range. It also eliminates the provision stating that the law prohibiting gasoline and

motor fuel franchisors from doing certain activities may not be construed as granting to a franchisor any right limited by other state or federal statute.

(**HB 5450**, effective October 1, 2004)

Conversions and Reorganizations of Mutual Savings Banks

When a mutual savings bank converts to a capital stock bank, this act requires its conversion plan to be approved by (1) a majority of the converting bank's corporators, provided the bank has at least 25 corporators at the time (unless the banking commissioner allows otherwise) and (2) a majority of the bank's independent corporators who constitute at least 60% of all corporators. The approval must be given at a meeting held in accordance with the bank's charter, certificate of incorporation, or bylaws. If a mutual savings bank reorganizes into a mutual holding company, the act requires approval by the same numbers and proportions of corporators.

The act requires a converting or reorganizing mutual savings bank, before the meeting for approval, to provide the corporators with information on the plan. The information must be filed with and approved by the commissioner before distribution and include disclosures summarizing the (1) conversion or reorganization, (2) share distribution, and (3) management compensation plans. The bank also must provide the commissioner with the following information on the corporators

eligible to vote at the meeting to approve the plan:

1. the number of corporators who are (a) not bank employees, officers, directors, or trustees; (b) employees, but not officers, directors, or trustees; and (c) officers, directors, or trustees;
2. a description of any loan relationships, outstanding within the five years before the meeting, between the mutual savings bank and any of its corporators who are not also employees, officers, directors, or trustees; and
3. a description of any commercial relationships (sale or lease of real or personal property or provision of commercial services), other than the loan relationships with corporators described above, in existence within five years before the meeting between the bank and any of the corporators who are not the bank employees, officers, directors, or trustees.

The converting or reorganizing bank's secretary must file with the commissioner a certification that the corporators approved the plan at the required meeting.

(PA 04-23, effective on passage)

Research and Development Tax Credit Exchange

This act makes permanent tax credit refunds for research and development tax credits, which prior law allowed only for 2003 and 2004. The refunds are available to companies that (1) pay the alternative capital base corporation tax for a year when they report no income and (2) grossed less than

\$70 million in the prior year without counting transactions with a related business. The refunds equal 65% of the value of the credits they could not use.

(HB 5245, effective on passage and applicable to income years starting on or after January 1, 2002)

Terrorism Coverage Under The Standard Fire Policy

This act allows commercial risk insurers to exclude coverage for loss caused by terrorism from standard fire insurance policies delivered, issued for delivery, or renewed in this state beginning July 1, 2004. They may exclude the coverage only (1) if the premiums charged for the policy reflect projected savings from excluding it and (2) until the terrorism insurance program established by the federal Terrorism Risk Insurance Act of 2002 expires.

(HB 5200, effective July 1, 2004)

Insurance Coverage for Medically Necessary Food

This act requires individual and group health insurance policies to cover, on the same basis as other outpatient prescription drugs, (1) amino acid modified preparations and low protein modified food prescribed for the treatment of cystic fibrosis, in addition to other inherited metabolic diseases, and (2) medically necessary specialized formula for children up to age eight, instead of age three.

(HB 5201, effective October 1, 2004)

Health Savings Accounts

Health savings accounts (“HSAs”) are tax-exempt personal savings accounts in which account holders can save money for future medical expenses funded by employee contributions through pre-tax payroll deductions or employer contributions. Federal law allows someone under 65 to contribute to an HSA only if they are covered by a qualifying, high-deductible health insurance policy. Connecticut law generally prohibits certain health insurance plans from imposing a deductible on home health care that exceeds \$50. This act exempts the high-deductible health plans used with federally qualified health savings accounts from the home health care deductible limit, thus allowing such policies to be sold in the state.

(**HB 5204**, effective upon passage)

CHILDREN AND FAMILIES

Child Poverty

This act establishes a Child Poverty Council to develop a plan to reduce the number of children living in poverty in Connecticut by 50% by July 1, 2014. The plan must (1) identify root causes of child poverty, (2) analyze poverty’s effects on children and families and its costs to government, (3) inventory programs that address child poverty, and (4) contain procedures and priorities for implementing strategies to achieve the 50% reduction. The council is composed

of legislative leaders, executive agency heads, and other state officials. It must submit its plan to certain legislative committees by January 1, 2005 and then report annually on its implementation until it terminates on June 30, 2015.

(**sHB 5572**, effective on passage)

CRIMINAL JUSTICE

Prison Overcrowding

This act combines the Board of Pardons and Board of Parole into the Board of Pardons and Paroles, makes a number of changes related to parole, allows the board and the Department of Correction (DOC) to transfer certain inmates to facilities other than prisons under certain circumstances, and alters a number of release provisions that apply to parole and DOC.

The act removes the court’s discretion to depart from a mandatory minimum sentence for certain drug crimes under certain circumstances.

It sets rules for Board of Pardons and Paroles membership and hearings, makes the board chairman the head of the board and creates an executive director who has many of the responsibilities currently assigned to the DOC commissioner. The act makes the board part of DOC, specifies its independent decision-making authority, and makes DOC responsible for supervising parolees.

Regarding parole, the act:

1. requires a parole hearing for someone who is (a) eligible for release after serving 50% of his

- sentence but has not been released after serving 75% of his sentence or (b) eligible for release after serving 85% of his sentence when he reaches the 85% mark;
2. changes eligibility for administrative parole;
 3. allows the board chairman to transfer inmates granted parole to a halfway house, group home, mental health facility, or an approved community or private residence within 18 months before their parole release date;
 4. allows an inmate to receive a compassionate parole release under certain circumstances;
 5. requires a board employee to conduct parole revocation and rescission hearings;
 6. requires the board chairman and executive director to (a) consult with DOC to develop a parole orientation program and (b) create an incremental sanctions system for parole violations; and
 7. requires a hearing on a violation of special parole.

The act requires development of (1) plans to reduce by at least 20% the number of incarcerations due to technical violations of the conditions of probation or parole and (2) a comprehensive reentry strategy.

The act requires the board to create an administrative pardons process for certain people.

Regarding inmates, the act:

1. allows DOC, unless the court orders otherwise, to release a person to a DOC-approved residence if the court commits the person to DOC and he is charged only with a misdemeanor or most class D felonies;

2. requires DOC to issue a request for proposals for a community justice center in Hartford;
3. authorizes DOC to transfer an inmate on work or education release to an approved community or private residence if he already participated satisfactorily in a residential program;
4. increases, from 15 to 30 days, the length of time DOC can release an inmate on furlough to visit a dying relative, attend a relative's funeral, get otherwise unavailable medical services, contact prospective employers, or for other compelling reasons consistent with rehabilitation; and
5. requires DOC, which is authorized to enter a contract to send an additional 2,000 inmates out-of-state, to submit that contract to the Appropriations and Judiciary committees for review and comment before entering it.

The act also:

1. allows someone to participate in the alcohol and drug dependency diversion program twice, instead of once and
2. changes a number of provisions on recovering the costs of an inmate's incarceration, including making additional types of property subject to the state's claim but excluding others such as property acquired for work performed during incarceration as part of a program designated or defined in regulation by DOC as job training, skill development, a career

(**sHB 5211**, effective on passage, except for the provisions concerning the Board of Pardons and Paroles, administrative pardons regulations, incremental sanctions system, and parole orientation, which are effective July 1, 2004.)

Sending Inmates Out Of State

The law authorizes DOC commissioner to contract with a government or private vendor for out-of-state supervision of 500 inmates. Prior law also authorizes her to contract to send an additional 2,000 inmates out of state in FY 04 and FY 05, and to enter a contract with the Virginia Department of Correction (the vendor for the 500 inmates) for any number of the additional inmates without following the competitive bidding or negotiation requirements. The act limits the commissioner's authority to send inmates out of state in FY 05 to 1,000 rather than 2,000 inmates.

The act also authorizes the commissioner to contract with a government or private vendor to supervise up to an additional 1,000 inmates out of state during FYs 06 and 07.

As under existing law, the government or private vendor must agree to be bound by the Interstate Corrections Compact and the facility used by Connecticut inmates must be in a state that has enacted and entered the compact.

(**HB 5801**, effective on July 1, 2004)

Penalties for Enticing a Minor

This act enhances penalties for offenses involving child pornography and using the Internet to entice minors to engage in sexual activity.

It:

1. updates the definition of "child pornography";
2. increases, from one to three, the number of visual depictions a person must possess to be convicted of importing child pornography;
3. creates graduated offense levels and penalties based on the amount of child pornography possessed;
4. bars people charged with these offenses from the pretrial Accelerated Rehabilitation program;
5. requires sentences to include between 10 and 35 years of probation, rather than up to five years as under current law;
6. requires a 10-year sex offender registration and submission of DNA samples for people convicted of enticement (including those convicted before the act's effective date) and the newly created child pornography possession offenses; and
7. directs the DOC commissioner to deny computer access to incarcerated offenders convicted of crimes requiring sex offender registration.

(**sHB 5043**, effective October 1, 2004, except for the prison computer restrictions, which are effective on passage and the increased criminal classification for enticement crimes, which is effective July 1, 2004)

Dual Arrests in Family Violence Cases

This act creates an exception to the requirement that peace officers arrest anyone they suspect has committed a family violence crime. When complaints are made by two or more opposing parties to the crime, the act relieves the officer of his duty to arrest a party that he reasonably believes used force only for self-defense. By law, the procedures or criteria for making this determination must be included in each law enforcement agency's operational guidelines for arrest policies in family violence incidents.

(**sHB 5293**, effective October 1, 2004)

ELECTIONS AND ETHICS

State Ethics Laws Concerning Gifts, Financial Disclosures and State Contractors

This act establishes a two-phase process for awarding building construction, procurement, or service (other than consultant or professional) contracts; leases; or licensing arrangements valued at over \$500,000 ("large state contracts").

Under phase I, which runs from the act's effective date to June 30, 2006, the act prohibits any state or quasi-public agency from executing a large state contract unless it receives an affidavit from the people who bid on and were awarded the contract regarding "gifts" given to agency officials or employees

involved in soliciting or awarding it. During the same period, agency officials or employees authorized to execute the contract must certify that their selection was not the result of collusion, gifts, compensation, fraud, or other inappropriate influence.

Under phase II, which begins on July 1, 2006, the act prohibits any state or quasi-public agency from executing a large state contract unless it and the contract recipient certify that there was no fraud or collusion and that no gifts were exchanged from the date contract planning began to the date the contract was executed.

The act broadens the information public officials provide in their annual statement of financial interest to the State Ethics Commission to include business affiliations between a business with which they are associated.

Lastly, the act requires the Ethics Commission to (1) develop a plain language summary of state ethics laws regarding state contract bids or proposals and (2) publish it on the commission's website.

(**sHB 5025**, effective on passage, except the provision on the statement of financial interests is effective on October 1, 2004)

State Ethics Codes Reforms

This act changes the State Code of Ethics by:

1. increasing, from three to five years, the statute of limitations for filing complaints of ethics violations with the State Ethics Commission;

2. increasing the maximum civil penalty for ethics code violations from \$2,000 to \$10,000;
3. doubling the time, from 90 to 180 days, the state has to bring an action to void a contract entered into in violation of the ethics code; and
4. raising the penalty and criminal classification for intentional ethics code violations from a class A misdemeanor, which is punishable by up to one year in prison, a \$2,000 fine, or both, to a class D felony, which is punishable by up to five years in prison, a \$5,000 fine, or both. (**sSB 386**, effective July 1, 2004)

Legal Defense Funds and Intentional Ethics Violations

This act increases the penalty for certain intentional State Ethics Code violations from up to one year in prison, up to a \$2,000 fine, or both to up to five years in prison, up to a \$5,000 fine, or both. The increased penalty applies to a person who commits two or more violations or violations that provide him with a financial benefit of \$1,000 or more.

The act requires Connecticut Lottery Corporation employees to comply with the State Ethics Code, which primarily means they must adhere to employment and post-employment restrictions applicable to most state and quasi-public officials and employees.

The act restricts contributions to legal defense funds established after its passage to help defray the expenses of public officials or state employees. It allows certain

individuals to contribute up to \$1,000 per year to a public official's or state employee's legal defense fund. It prohibits the families of lobbyists and people doing business with the state from contributing to these funds, but it allows unlimited contributions from the official's or employee's relatives and from people whose relationship does not depend on the official's or employee's position.

It requires officials and employees who benefit from the fund to give the State Ethics Commission quarterly reports on the fund's directors and officers, depository institution, contributions, and expenditures. It permits the commission to enforce defense fund violations in the same way that it enforces Ethics Code violations, including conducting investigations, determining violations, and imposing penalties.

(**sHB 5021**, effective on passage, except for the intentional code violation provisions, which are effective July 1, 2004)

ENERGY AND ENVIRONMENT

Electric Transmission Line Siting Criteria

By law, a Siting Council certificate is required to build electric transmission lines and certain other utility facilities. The act requires the council to make findings on the impact of the electromagnetic fields (EMFs) a facility may produce when deciding whether to grant a certificate.

The act establishes a presumption that high power transmission lines located adjacent to residential areas, schools, and certain land uses should be buried. But it allows an applicant to rebut the presumption by showing that burial is technologically infeasible, taking into account the reliability of the state's electric grid. It requires overhead portions of transmission lines to be in a buffer zone.

The act requires the council to adopt standards for best management practices for EMFs. It requires that a transmission line be consistent with these practices. Under the act, if legislation passed on or after January 1, 2004 results in the reconfiguration or burial of a transmission line, all of the prudent costs incurred by an electric company as a result must be considered reasonable for ratemaking purposes and must be recovered by the company in its rates.

The act applies to applications filed on or after October 1, 2003 for which the council has not already rendered a decision. As a result, it applies to the proposed transmission line between Norwalk and Middletown.

(sHB 5418, effective on passage)

Clean Cars

The act requires the state to adopt, by December 31, 2004, regulations implementing California's Low Emission Vehicle II (LEV II) standards for light-duty motor vehicles (passenger cars and trucks with a maximum loaded weight of 8,500 pounds) and to

update them to keep them current with changes in the California standards. The regulations will apply to vehicles manufactured for the 2008 model year and beyond. The act also authorizes the commission to regulate motor vehicle emissions for other motor vehicle classes.

LEV II requires a manufacturer's vehicle fleet to meet stricter average emissions standards for both gasoline and diesel vehicles, applies passenger car standards to most sport utility vehicles and light trucks, and places tighter controls on evaporative emissions from vehicles' fuel tanks and fuel systems, as well as their exhaust systems. LEV II also requires that 10% of a motor vehicle fleet comprise zero-emission vehicles or their equivalent.

(PA 04-84, sSB 119, effective October 1, 2004)

Jurisdiction of Municipal Inland Wetlands Commissions

By law, municipal inland wetlands agencies may regulate certain activities that occur outside a wetlands area if the activity may affect the wetlands. This act bars a wetlands agency from denying or making conditional an application to conduct a regulated activity outside a wetlands or watercourse area on the basis of its effect on aquatic, plant, or animal life or habitats in the wetlands or watercourse unless the proposed activity is likely to affect the physical characteristics of such life or habitat in the wetlands or watercourses or the wetlands or watercourses themselves. In doing

so, it expands the powers of wetlands agencies as determined by the Connecticut Supreme Court in *Avalonbay Communities, Inc. v. Wilton Inland Wetlands Commission* (266 Conn. 150 (2003)), in which the Court held that the Inland Wetlands and Watercourses Act protects the physical characteristics of wetlands and watercourses and not the wildlife, including wetland obligate species, or biodiversity.

(**sSB 445**, effective on passage)

Climate Change

This act requires (1) the state to reduce greenhouse gas emissions as part of a regional effort to reduce such emissions and (2) the Governor's Steering Committee on Climate Change to develop plans to help achieve the goal of greenhouse gas emission reduction. It requires the Department of Environmental Protection (DEP) commissioner to (1) report annually on progress in achieving the goals and (2) work to establish a regional greenhouse gas registry and regional reporting system with other states or a regional consortium. It requires certain electric generators and commercial and industrial sites to report annually to the registry on their direct smokestack greenhouse gas emissions.

It also requires the DEP commissioner to:

1. annually consider expanding the registry to require the reporting by, or of, other (a) facilities or sectors, (b) greenhouse gases, and (c) direct and indirect emissions;

2. annually consider requiring the reporting of additional greenhouse gases and direct and indirect emissions;
3. provide for the voluntary reporting of greenhouse gas emissions by additional entities;
4. evaluate the feasibility of creating and administering a statewide registry if a regional registry is not developed and implemented; and
5. publish a greenhouse gas emissions inventory every three years.

(**sSB 595**, effective October 1, 2004)

HEALTH

An Act Concerning Medical Malpractice Insurance Reform

This act makes numerous changes to the laws dealing with medical malpractice in the areas of civil litigation; insurance regulation and oversight; and the regulation, oversight, and disciplining of doctors.

Civil Litigation. The act:

1. establishes a mediation program that must be used unless the parties have agreed to use an alternative,
2. requires that a signed opinion of a similar health care provider be prepared to show that medical negligence occurred before a lawsuit can be filed;
3. reduces the interest rate courts may award to malpractice victims if defendants reject their offer to settle the case under certain circumstances;

4. allows the attorney fee schedule for contingency fees in medical malpractice cases to be waived only with court approval; and
5. requires the court, when a jury awards more than \$1,000,000 in non-economic damages, to review the evidence to determine if the amount is excessive as a matter of law.

Insurance Regulation and Oversight. The act:

1. requires the Insurance Department's prior rate approval for medical malpractice insurance rate changes for certain health care providers;
2. requires consideration be given to relevant factors that may reduce malpractice insurance rates;
3. requires (1) insurers to provide detailed information about medical malpractice awards and payments and (2) the commissioner to compile and analyze it and annually submit a report to the legislature and the public; and
4. requires captive insurers to provide certain information to the commissioner.

Regulation, Oversight, and Discipline of Medical Providers.

The act:

1. requires a plaintiff or his attorney to mail a copy of a medical malpractice complaint to the Department of Public Health (DPH) and the Insurance Department when he files a lawsuit against a licensed physician and certain other licensed health care providers, and requires DPH to determine if there is a basis for it to

- investigate further or take disciplinary action;
2. requires anyone who pays a medical malpractice award or settlement to provide copies of the award or settlement and complaint and answer, if any, to the Insurance Department instead of just DPH;
3. requires those paying medical malpractice awards or settlements for licensed physicians and certain other health care providers to provide additional information to DPH, including a breakdown by economic and non-economic damages;
4. makes liability releases invalid until the attorney representing the paying party files an affidavit with the court that he has provided DPH and the insurance commissioner with the required information;
5. requires DPH and the insurance commissioner to develop systems to collect, store, use, interpret, report, and provide public access to such information;
6. requires DPH to adopt guidelines to determine the basis for further investigation or disciplinary action regarding physicians who paid damages or were sued for malpractice;
7. requires DPH to adopt regulations establishing guidelines for screening complaints, prioritizing investigations, and determining when an investigation should be broadened;
8. requires the Medical Examining Board to adopt guidelines for its

- disciplinary process and requires the DPH commissioner to conduct a hearing on charges against a doctor if a board-appointed hearing panel has not done so within 60 days after the board reports charges to it;
9. requires that DPH's annual report to the governor and Public Health Committee include additional information such as the number of complaints filed against doctors and the number of notices of malpractice lawsuits filed that were not investigated and the reasons why;
 10. requires DPH to develop protocols for accurate identification procedures that hospitals and outpatient surgical facilities must use before surgery;
 11. requires DPH to notify the physician and person who filed a petition or his legal representative when it makes a finding of no probable cause and include the reason for such finding;
 12. requires doctors annually to provide certain information to DPH, including their malpractice insurer, policy number, area of specialization, and disciplinary actions and malpractice payments made in other jurisdictions and allows doctors to fulfill this obligation by including such information in their physician profile;
 13. requires DPH to report annually the number of doctors, by specialty, actively providing patient care; and

14. requires the DPH commissioner to develop and implement a process that will ensure a continuing and coordinated focus on patient safety programs within DPH.

Tax Credit. The act gives a resident physician subject to the state income tax the right to an income tax credit for part of his medical malpractice insurance premiums.

(**sHB 5669**, effective on passage, except for the provision dealing with the duty of captive insurers to provide certain information to the insurance commissioner takes effect July 1, 2004; the provision providing tax credits takes effect July 1, 2004 and applies taxable years beginning January 1, 2004; and the provision requiring the data on closed cases takes effect January 1, 2005)

LOCAL GOVERNMENT

Delay in Revaluation and Change in Revaluation Cycle

The act allows municipalities that, under current law, must revalue real property in the 2003, 2004, or 2005 assessment year to delay revaluation to the 2006 assessment year, if the delay is approved by the municipality's legislative body (except the board of selectmen in town meeting towns).

The assessor or board of assessors in a municipality that delays revaluation for the 2003 assessment year must prepare a revised grand list for the 2002 assessment year reflecting the

assessments for the 2002 assessment year, subject only to changes in ownership, new construction, and demolitions. The assessor must send notice of any increase in the valuation of real estate over 2002 valuation to the affected person's last-known address. The person can appeal the increase during the next regular session of the board of assessment appeals at which appeals may be heard.

Beginning in 2004, towns must revalue every five years, rather than every four (except for the delayed revaluations described above). At least one revaluation in every 10 years, rather than 12, must be based on a physical inspection. If a town's last inspection was done by statistical means, the next revaluation must be physical. (Because of the act's changes in the revaluation cycle, this provision could result in a town being required to conduct two physical revaluation in 10 years. In this case, the act provides that only one physical revaluation is required.) The act allows towns that conducted their last revaluation by physical inspection to conduct a statistical revaluation the next time.

(HB 5801, effective on October 1, 2003 and applicable to assessment years starting on or after that date)

Municipal Real Estate Conveyance Tax

The act (1) extends for an additional year a temporary increase in the basic municipal real estate conveyance tax rate from 0.11% to 0.25% and (2) makes permanent an

option allowing 18 towns to add another 0.25% to their rates. Under the act, the higher basic rate expires on June 30, 2005 rather than on June 30, 2004. The change produces an estimated \$25 million in additional municipal revenue for FY 2004-05.

(HB 5692, effective on passage)

Property Tax Credit Increase

The act increases the maximum property tax credit against the state personal income tax from \$350 to \$500 starting with tax years beginning on or after January 1, 2005. This change has no fiscal impact for the FY 2003-2005 biennial budget but is anticipated to result in a General Fund revenue loss of \$105 million in FY 2005-06 and in subsequent fiscal years.

(HB 5692, effective July 1, 2004 and applicable to tax years starting on or after January 1, 2005)

Floodplain Management and Hazard Mitigation

This act (1) requires towns to adopt regulatory standards for managing land uses in floodplains and reducing potential hazards, (2) requires the state to consider ways to reduce flooding and other natural hazards when it revises the State Plan of Conservation and Development after March 1, 2006, and (3) specifically allows towns to use Local Capital Improvement Program (LoCIP) funds to manage floodplains and reduce hazards.

The act requires DEP to provide grants for local and regional projects and plans to minimize flooding and

other natural hazards, beginning October 1, 2005. It funds the grants by increasing the existing state fee on local land use applications and dedicating about a third of the revenue to the grants.

(sHB 5045, effective October 1, 2004, except for the provisions increasing the fee, establishing the grant program, and authorizing regulations, which take effect July 1, 2004)

Property Taxes on Motor Vehicles and Snowmobiles

This act establishes rules for determining the town where people and businesses must pay property taxes on a registered or unregistered motor vehicle or snowmobile (i.e., its situs). It requires owners to pay taxes to the town where the vehicle most frequently leaves from and returns to during the normal course of its operation and sets additional rules for vehicles owned by nonresidents and recreational and construction vehicles.

The act requires the motor vehicles commissioner annually to provide tax assessors with a list of vehicles subject to taxation in their respective towns. It also puts into law the commissioner's practice of providing towns lists of vehicles that were registered on or after the October 1 assessment date.

The act specifies that all motor vehicles and snowmobiles operating or located in Connecticut must pay property taxes here if they most frequently leave from or return to a Connecticut town. This requirement applies to all motor vehicles,

regardless of whether they are registered here.

(sHB 5475, effective on passage and applicable to any assessment year, except for the provision regarding the motor vehicles commissioner, which takes effect July 1, 2004, and the provision that subjects motor vehicles and snowmobiles to Connecticut property taxes, which takes effect on passage)

Requiring Subdivisions To Comply With Subsequently Enacted Zoning Regulations

This act modifies the exemption for lots shown on an approved residential subdivision plan from subsequent changes in the town's zoning regulations or zoning map. It extends the provision to cover lots on approved resubdivision plans, but it requires that any construction on an improved lot covered by a plan conform to zoning changes adopted after the lot is improved. Under the act, a lot is considered improved once a building permit has been issued and a foundation has been completed under the permit. The requirement also applies if an existing structure on the lot is demolished (i.e., a "teardown"). The act continues to exempt vacant lots (other than teardowns) from changes in the zoning regulations and maps adopted after the subdivision is approved.

The act does not affect the law that exempts a legal nonconforming use or structure from subsequent changes in zoning law. A legal

nonconforming use or structure is one that was legal before the change in the law.

(**sSB 448**, effective on passage and applies to subdivisions and resubdivisions approved before, on, or after its effective date)

SCHOOLS

ECS Grants

The budget act appropriates \$1.563 billion for FY 2004-05 Education Cost Sharing (ECS) grants to towns, thereby increasing by \$40 million the original FY 2004-05 appropriation. Legislation implementing the budget allocates to each town an ECS grant equal to its FY 2003-04 grant plus 23.27% of the difference between that grant and its full ECS entitlement. This allocation is subject to the following constraints:

1. every town's grant must be at least 60% of its full entitlement;
2. no priority school district may receive less than \$370 per student;
3. every town, except Winchester, must receive at least the greater of (a) its FY 2002-03 grant or (b) its FY 2003-04 grant plus 0.07%; and
4. Winchester must receive a grant at least equal to its fixed entitlement for FY 2002-03. (A "fixed entitlement" is a town's full ECS formula grant, excluding prior year adjustments.)

The implementing legislation also (1) eliminates the cap on annual increases to the ECS grant one year early, as of July 1, 2004, instead of

July 1, 2005 and (2) starting with FY 2004-05, restores the density supplement, which gives additional ECS funding to towns with population densities greater than the state average.

(**HB 5692 & sHB 5584**, effective July 1, 2004)

Other Education Grants

The General Assembly provided \$8.35 million for annual grants to priority school districts. Grants vary according to population as follows: \$1.5 million to the priority district with the largest population (Bridgeport); \$1 million each to districts ranked two through four (Hartford, New Haven, and Stamford), \$600,000 for the fifth-ranked district (Waterbury), and \$500,000 for each district ranked six through eight (Danbury, New Britain, and Norwalk.). Seven smaller districts receive \$250,000 each (Ansonia, Bloomfield, Bristol, East Hartford, Meriden, New London, and Windham).

For FY 2004-05 only, the act also allocates money for two former priority districts, also according to population. West Haven receives \$200,000 and Putnam, \$100,000. (**sHB 5584**, effective July 1, 2004)

This act increases FY 2004-05 allocations to four categorical education grant programs by the following amounts: Priority School District Grants, \$8.65 million; School Readiness, \$7 million; Early Reading Success, \$1 million; and

Summer School, \$900,000. It also allocates \$1.1 million for School Improvement.

(**sHB 5584**, effective July 1, 2004)

Nutrition, Recess, and Lunch

This act requires local and regional school boards (1) to provide all full-day students with a minimum 20-minute daily lunch break and (2) include a daily period of physical exercise for most students in kindergarten through grade five, except those students requiring special education for whom a planning and placement team develops a different exercise schedule. The act also requires school boards to make nutritious food and drinks, such as low-fat milk and dairy products, water, and fruit, available for purchase whenever students can purchase drinks in school or whenever they can buy food during the regular school day.

(**HB 5344**, effective on July 1, 2004)

School Readiness

This act:

1. allows the State Department of Education (SDE), in consultation with DSS, to grant waivers to allow for variation in the school readiness program schedule;
2. allows the SDE to reallocate 70% rather than 50% of unused non-competitive school readiness grant program funds to create new program slots and allows the remaining percentage to be used for professional development,

rather than allowing those funds to lapse;

3. increases the maximum per child reimbursement for the SDE school readiness component of a program offered by a school readiness provider to \$6,400 from \$5,891; and
4. increases the maximum school readiness competitive grant by \$7,000 per priority school.

(**sHB 5690**, effective July 1, 2004)

Another act extends the school readiness competitive grant program to six towns that are among the 28 poorest in the state, but are not considered priority school districts. These towns are: Ashford, Chaplain, Griswold, Sprague, Sterling, and Thompson. Prior law allowed towns or regional school readiness councils to apply for these funds only to provide spaces in school readiness programs for eligible children who live in area served by a priority school or former priority school.

(**sHB 5584**, effective July 1, 2004)

School Readiness Staff Qualifications

This act (1) increases the minimum required number of early childhood education or child development credits from nine to 12 for staff holding credentials from an SDE commissioner-approved organization and (2) adds a Connecticut teaching certificate with an early childhood or special education endorsement to the list of acceptable credentials for school readiness staff, beginning July 1,

2005. The act also makes it acceptable for staff members to have associates' or four-year degrees in any field, as opposed to a major in early childhood development or early childhood education, as long as the person has earned at least 9, and on or after July 1, 2005, 12 credits in either of those areas.

(sHB 5428, effective July 1, 2004)

SENIORS

ConnPACE and the Federal Medicare Drug Discount Card

A new federal law establishes a voluntary prescription drug benefit for Medicare beneficiaries. This act makes conforming changes in the ConnPACE program. It requires ConnPACE participants with incomes below 135% of the federal poverty level to obtain a discount card designated by the Department of Social Services (DSS) for use in conjunction with ConnPACE. The act combines ConnPACE and Medicare discount benefits for this group and requires the participant to pay the lower of the discount card or ConnPACE copay up to \$16.25 per prescription. A second act requires low-income ConnPACE participants to reapply annually for the discount card and allows the commissioner to enroll them if they do not choose one for themselves.

(PA 04-6, sHB 5041 & PA 04-101, sSB 8, effective on passage)

ConnPACE Estate Recovery and Asset Test

This act repeals the never-implemented 2003 law that allows the state to recoup ConnPACE benefits from the estates of deceased participants. It also repeals the law that set an asset limit for ConnPACE participation of \$100,000 for single people and \$125,000 for married couples. DSS implemented the asset limit on February 1, 2004.

(sHB 5689, effective on passage)

Canadian Drug Reimportation Study and ConnPACE

This act requires the DSS commissioner to (1) evaluate the feasibility, health and safety, legal sufficiency, and cost-effectiveness of re-importing prescription drugs from Canada under the ConnPACE program; (2) evaluate waiving the ConnPACE copayment for such drugs; and (3) report on it to the legislature by January 1, 2005.

(PA 04-101, sSB 8, effective on passage)

STATE GOVERNMENT

Homeland Security Director And The Department Of Homeland Security

This act eliminates the Office of Emergency Management (OEM), which serves as the state's civil defense organization. It instead creates the Department of Emergency Management and Homeland Security (DEMHS) within

the Executive Branch and the Office of Policy and Management (OPM).

The governor must appoint a commissioner to head the department with the advice and consent of the legislature to serve a term of up to four years. The act transfers to the department the functions, powers, duties, and any personnel the commissioner deems necessary, of OEM and the Division of Homeland Security within the Department of Public Safety (DPS). It makes corresponding changes, as appropriate, to replace statutory references to OEM or its director with DEMHS or its head.

The commissioner must, in consultation with the state police bargaining unit, enter into an interagency memorandum of understanding with the DPS and the Military Department for (1) the assignment and retrenchment rights of state police and military department employees and (2) interagency information sharing. It establishes a 24-member statewide advisory council to advise OEM; the DPS; and, beginning January 1, 2005, DEMHS.

By January 1, 2005, it requires the OPM secretary to report to the Appropriations and Public Safety committees on the reorganization of state emergency management and homeland security. The report must, at a minimum, describe (1) how DEMHS, including the organization of any internal divisions; (2) the transfer of state agency personnel or budgeted funds; and (3) any necessary federal, state, or local interagency procedures, agreements, or protocols. The act specifies that

municipal and local regional agencies are not required to agree to the reallocation of any federal or state emergency management or homeland security funds for which they may be eligible.

Beginning January 1, 2006 and annually thereafter, the act requires the DEMHS commissioner to report to the Public Safety Committee on its evaluation of the statewide emergency management and homeland security activities during the preceding calendar year.

(**sSB 478**, effective on January 1, 2005, except for the provisions establishing the statewide advisory council and the OPM report on reorganization, which are effective upon passage)

Judicial Salaries

The act increases the salaries of judges and family support magistrates by 5.5% on January 1, 2005, 2006, and 2007. The chart below displays the effect of these increases on salaries.

The act's provisions result in salary increases for other officials whose salaries are tied to those of judges. The salaries of workers' compensation commissioners vary depending on experience and are tied to those of Superior Court judges. The salaries of probate court judges are capped at 75% of a Superior Court judge's salary.

The act also increases the per diem fees paid to judge trial referees from \$200 to \$211 and to family support referees from \$180 to \$190.

(**HB 5801**, effective January 1, 2005)

<i>Position</i>	<i>Current Law</i>	<i>Under the Act</i>		
	<i>As of 4/1/02</i>	<i>As of 1/1/05</i>	<i>As of 1/1/06</i>	<i>As of 1/1/07</i>
Chief Justice of the Supreme Court	\$149,582	\$157,809	\$166,489	\$175,645
Chief Court Administrator*	143,738	151,644	159,984	168,783
Supreme Court Associate Justice	138,404	146,016	154,047	162,520
Appellate Court Chief Justice	136,873	144,401	152,343	160,722
Appellate Court Judge	129,988	137,137	144,680	152,637
Deputy Chief Court Administrator**	127,617	134,636	142,041	149,853
Superior Court Judge	125,000	131,875	139,128	146,780
Chief Family Support Magistrate	108,821	114,806	121,120	127,782
Family Support Magistrate	103,569	109,265	115,275	121,615

*The chief court administrator earns this salary if he is a judge of the Supreme, Appellate, or Superior Court.

**The deputy chief court administrator earns this salary if he is a Superior Court judge.

Disclosure of Voice Mails under the Freedom of Information Act

This act specifies that nothing in the Freedom of Information Act (FOIA) requires a public agency to transcribe or keep information transmitted by voice for the sole purpose of its electronic receipt, storage, and playback by a public agency. FOIA requires public agencies to make records that they maintain available to the public unless federal or state law, including FOIA exemptions, requires or allows them to be kept confidential.

The act limits the circumstances under which a public agency can disclose the name or address, or any

other identifying information of a complainant in a sexual harassment case that the agency is investigating internally. The agency must disclose (1) the complainant's name to the accused during the investigation and (2) any information pursuant to a court order. It may disclose the complainant's name to people participating in the investigation. (sSB 584, effective on passage)

TRANSPORTATION

Rail Equipment Purchase

The act allows the State Bond Commission to authorize \$25 million in Special Tax Obligation bonds for the Department of Transportation (DOT) to purchase rail equipment, such as Metro North rail cars. It also authorizes the department to solicit bids or qualifications for equipment, materials, or services for a project funded wholly or partially by the Transportation Strategy Board Account at any time in the fiscal year regardless of the fact that all required funds may not be available for expenditure until later in the same or next succeeding fiscal year.

(SA 04-6,sHB 5032, effective on passage)

Funding for Transportation Strategy Board Projects

The act changes revenue sources for and funding of projects recommended by the Transportation Strategy Board (TSB). Specifically, it:

1. increases fees for an original issue driver's license from \$1 per month with a maximum of \$4 for any six-month period, plus the sum of \$5.25, to \$44 for a four-year license, \$66 for a six-year license, and \$11 for any single year or part of a year;
2. accelerates, to July 1, 2004 from July 1, 2005, the transfer of one-half of the incremental revenues derived from motor vehicle department fee increases to the TSB project account;
3. transfers \$150,000 in FY 2004-05 from the TSB project account to DOT to support the increased motorist assistance services recommended by the TSB;
4. authorizes spending \$60,000 from the TSB account in FY 2004-05, with its approval, to support the preparation and distribution of highway diversion plans recommended by the TSB;
5. authorizes spending up to \$5,000,000 from the TSB project account in FY 2004-05 for continuing the TSB's Fairfield County Inter-Regional Bus Service, New Haven Line Commuter Connection, Danbury Area Feeder Bus Service, Shoreline East Service extension, Southeast Connecticut Jobs Access-Dial-A-Ride, and Hartford Area Express Bus Service projects;
6. authorizes spending up to \$600,000 from the TSB project account in FY 2004-05 to support Tweed-New Haven Airport, if New Haven continues at least its current subsidy and the funds are not spent to provide subsidies or assistance to a carrier;
7. authorizes spending up to \$2,000,000 in FY 2003-04 from the TSB project account for DOT expenses for these TSB "Section 16" projects—the Deduct-a-Ride Program, Southeast Corridor Tourism Service-Single Ticket Fare Structure, Capitol Region Council of Governments-New Britain Busway, and the Southeast Connecticut Jobs Access-Dial-A-Ride; and
8. transfers up to \$640,000 in FY 2004-05 from the TSB project account to OPM for a grant to regional planning agencies, councils of governments, and councils of elected officials. (**sHB 5233**, effective July 1, 2004, except for the \$2 million authorization for Section 16 projects and the accelerated deposit of incremental revenues into the TSB projects account, which are effective on passage)

Connecticut Maritime Commission

This act creates the Connecticut Maritime Commission and the State Maritime Office and abolishes the Connecticut Port Authority.

Among its duties, the commission must (1) develop, recommend, and advise on maritime policy; (2) support development of Connecticut's maritime commerce and industries, including deepwater ports; and (3) recommend investments and actions, including dredging, required to preserve and enhance them. The commission is the successor to the port authority.

The commission must hold an annual public hearing to evaluate the maritime policy, facilities, and support for maritime commerce and industry. It must report to the transportation commissioner, governor, and TSB with: (1) a list of projects that, if undertaken, would support the maritime policy and encourage maritime commerce and industry and (2) recommendations for improving maritime policies, programs, and facilities.

The State Maritime office must, among its duties, (1) be responsible for maritime operations; (2) serve as the governor's principal maritime policy advisor and the liaison between federal, state, local, and private entities involved in maritime policy activities; and (3) work with the Department of Economic and Community Development and state, local, and private entities to maximize the economic potential of Connecticut's ports and maritime resources.

(**sHB 5031**, effective October 1, 2004)

Motor Carrier Safety

The act makes numerous changes to the laws governing commercial driver's licenses (CDLs). Many are required to comply with the federal Motor Carrier Safety Improvement Act of 1999 with which the state must substantially comply by September 30, 2005. It also makes changes to laws regarding drivers of vehicles transportation hazardous materials that are required by provisions of the USA Patriot Act and other

changes that are not required for compliance.

Specifically, it:

1. revises the license classification system to create four instead of two license classes;
2. revises the endorsements that allow CDL holders to drive certain specialized vehicles;
3. exempts military personnel operating commercial motor vehicles solely in connection with their military duties from the CDL requirement;
4. modifies the school bus endorsement and creates three related endorsements, including one for school-related activity vehicles;
5. expands the definition of "school bus" to include a commercial motor vehicle (except a bus used by a common carrier) used to transport preschool, elementary, or secondary school students between home and school or to and from school-sponsored events;
6. authorizes the motor vehicle commissioner to waive the skills test for a school bus endorsement applicant who meets federal requirements;
7. requires an applicant for renewal of a CDL that allows him to transport passengers in a commercial motor vehicle to present evidence that he is in compliance with federal medical qualifications;
8. applies new federal requirements for background checks for drivers of vehicles carrying hazardous materials;
9. authorizes the commissioner to disqualify a CDL holder under

- certain circumstances when he receives a notice of threat assessment from the federal Transportation Security Administration;
10. requires the commissioner to request information from two federal databases before issuing a driver's license that is not a CDL and requires the currently required inquiry of the two databases for a CDL to cover the preceding 10, instead of five, years;
 11. makes CDL renewals last four rather than six years and requires applicants for renewal for the first time, beginning January 1, 2005, to provide the names of all states in which they have been licensed previously;
 12. establishes additional grounds for disqualifying a CDL holder from driving a commercial motor vehicle for certain periods and expands some of the existing grounds for disqualification to cover an act the CDL holder commits in any motor vehicle, instead of only a commercial motor vehicle;
 13. establishes an additional disqualification based on a federal finding that a CDL holder's driving constitutes an imminent hazard to the public;
 14. applies the lifetime disqualification of a CDL holder to commission of a felony involving the manufacture, distribution, or dispensing of a controlled substance while using any type of motor vehicle rather than just a commercial motor vehicle;
 15. requires notification of disqualification, suspension, cancellation, or revocation to a CDL holder to identify the violation that is the basis of the action;
 16. requires the commissioner to notify the state of licensure when he receives a court report that a driver licensed in another state has been convicted of violating a Connecticut traffic control law;
 17. expands requirements for drivers of certain types vehicles to stop at rail-highway grade crossings and proceed across the crossing only under certain circumstances to reflect federal requirements;
 18. increases the range of civil penalties for an employer who knowingly permits or requires a driver subject to an out-of-service order to drive a commercial motor vehicle from \$2,500 to \$10,000 to \$2,750 to \$11,000;
 19. increases the range of civil penalties for a commercial vehicle driver who violates an out-of-service order from \$1,000 to \$2,500 to \$1,100 to \$2,750; and
 20. makes the Pretrial Alcohol Education program unavailable to those charged with a violation of driving while under the influence of alcohol, drugs, or both if the person was driving a commercial motor vehicle.
- (**sSB 28**, effective January 1, 2005, except for the provisions relating to the Driver License Agreement and renewing CDLs, which are effective on July 1, 2004)

VETERANS

Eligibility for Veterans' Home Admission

This act increases the number of veterans eligible for burial in the state veterans' cemetery and admission to the state Veterans' Home and Hospital, which it renames the Veterans' Home. It does so by eliminating war service as a criterion for burial or admission, making any veteran honorably discharged from active service in the U.S. Armed Forces eligible.

(**sSB 239**, effective on passage)

WELFARE

Medical Assistance Fees, Co-Pays, and Premiums

This act eliminates the Medicaid fee-for-service and HUSKY A co-payments and premiums established last year. It also removes (1) pharmacists' authority to refuse to fill prescriptions for Medicaid recipients who continuously fail to pay their co-payments and (2) the Department of Social Services commissioner's authority to deny HUSKY A coverage to families who are late paying their premiums.

(**sHB 5689**, effective July 1, 2004)

Preferred Drug List Expansion and Applicability to DSS Programs

Existing law requires DSS to establish a preferred drug list for medical assistance programs. Generally, prescriptions for drugs not on the list need prior authorization. In FY 2003-04, the law limits the list to three classes of drugs, proton pump inhibitors and two others chosen by the DSS commissioner. The list has not yet been established. The act allows DSS to create different lists for different medical assistance programs.

The act requires the commissioner to include other classes of drugs on the lists by June 30, 2005. The act exempts drugs for diabetes, asthma, and cancer (Another act, HB 5801, eliminates this exemption). For FY 2003-04, the act does not require medical assistance provided under SAGA to use the list, but after that the act applies the list to ConnPACE, Medicaid, and SAGA. It also requires DSS to use the list in the HUSKY A and B programs under certain circumstances. Finally, it allows the commissioner to contract with a pharmacy benefits organization or a single entity qualified to negotiate with pharmaceutical manufacturers for supplemental rebates for the purchase of drugs on the preferred drug list.

(**sHB 5689**, effective on July 1, 2004)

Legal Immigrant Programs

This act reopens the state-funded legal immigrant programs to new applicants who are excluded from federal programs. These state programs include state-funded Temporary Family Assistance, cash assistance under SAGA, state-funded medical assistance (equivalent to Medicaid, SAGA medical, or HUSKY B, as appropriate), the Connecticut Home Care Program for Elders, and state-funded food assistance equivalent to the federal Food Stamp Program. New applicants have not been accepted in these programs since June 30, 2003.

(**sHB 5689**, effective on July 1, 2004)

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