

Office of Legislative Research
Connecticut General Assembly



OLR MAJOR ACTS

November 12, 2009

2009-R-0226

Revised



NOTICE TO READERS

These summaries are intended to describe briefly the most significant, far-reaching, and publicly debated acts (including resolutions) passed by the General Assembly in its 2009 regular and special sessions.

Not all provisions of the acts are included. Our 2009 Public Act Summary book, which contains detailed summaries of all public acts, will be available later this fall.

The Major Acts are posted on the intranet at <http://cgalites/olr/> and on the Internet at <http://cga.ct.gov/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. These reports are also available at the above websites.

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BIENNIAL BUDGET

Several acts appropriate \$18,644.9 million for FY 10 and \$18,938.6 million for FY 11 to state agencies and accounts. These “All Funds” appropriations are supported by revenues of \$18,652.2 million in FY 10 and \$18,943.4 million in FY 11, which exceed the appropriated levels by \$7.3 million and \$4.8 million in each of the respective fiscal years.

Carryforwards – Several sections of the acts provide for the carry-forward (non-lapse) of funds in specific agencies and accounts from FY 09 into FY 10 and FY 11. An estimated \$32.4 million in the General Fund and \$28 million in other miscellaneous funds are carried forward into FY 10. The amount to be carried forward into FY 11 is uncertain, as it will depend upon expenditures made in FY 10.

Major Budget Increases/(Decreases) – Some of the major programmatic budgetary increases (after including in the FY 09 base both operating funds and funding intercepted from anticipated FY 07 surplus dollars) compared with the prior year are (figures in millions):

Item	<u>FY 10</u>	<u>FY 11</u>
Debt Service	\$136.4	\$63.7
Medicaid	85.1	(152.5)
SAGA	61.7	60.0
Magnet Schools	31.6	21.5
Teachers’ Ret.	19.9	22.4
PILOT – New Manu.	(45.7)	0.0
ConnPACE	(31.4)	(3.5)
Mash/Pequot	(24.5)	0.0
Town Aid Road	(22.0)	0.0
Medicare D	(21.7)	(1.2)
Totals	\$189.4	\$10.4

Municipal Aid – Grants to towns decrease by \$125.3 million to \$2,786.9 million in FY 10 from estimated expenditures of \$2,912.2 million in FY 09 and increase by \$21.5 million to \$2,808.4 million in FY 11. The FY 09 figures include all operating expenditures, as well as funding intercepted from anticipated FY 07 surplus. (Please refer to OFA’s Budget Book for the 2009-2011 Biennium for additional information on these and other major budget changes.)

Other Related Budget Topics:

Budget Growth Rate – The budget growth rate based on the budget for FY 10 over estimated expenditures for FY 09 (including OFA adjustments) for all appropriated funds is -0.6% and the adjusted rate for FY 11 over FY 10 is 1.5%.

Spending Cap – The final FY 09 budget was under the spending cap by \$4.9 million. The budget provided by the budget-related acts is calculated (based on interpretation of the statutory spending cap) to be under the cap by \$840.9 million in FY 10 and under the cap by \$589.9 million in FY 11.

Budget Reserve (Rainy Day) Fund – The Budget Reserve Fund (BRF) currently has a balance of approximately \$1,381.7 million. Issuance of Economic Recovery Notes under PA 09-2 (June Special Session) to fund the estimated \$925.9 million FY 09 General Fund operating budget deficit precludes the automatic transfer of resources from the BRF to the General Fund when the State Comptroller officially certifies the deficit (CGS § 4-30a(b)). Instead, PA 09-3 SSS transfers \$1,062.0 million from the BRF to the General Fund in FY 10 and \$319.7 million in FY 11.

PA 09-3 June Special Session (JSS), PA 09-2 2009 Regular Session, PA 09-2 JSS, PA 09-2 June 19th Special Session, PA 09-3 September Special Session (SSS), PA 09-7 SSS, PA 09-8 SSS

BANKING

Foreclosures and Mortgages

The legislature reacted to the turmoil in the housing and mortgage markets by expanding state relief programs and imposing new licensing conditions on mortgage professionals. It changed how eligibility for the Emergency Mortgage Assistance Program is determined by (1) allowing the Connecticut Housing Finance Authority to decide what constitutes a significant reduction in a borrower's income and (2) expanding the circumstances that constitute a financial hardship beyond a borrower's control. This new law also expands eligibility for the CT FAMILIES refinancing program to include homeowners with fixed-rate mortgages and makes the foreclosure mediation program established last year mandatory, rather than optional, beginning July 1, 2009.

The law also implements a 2008 federal law by establishing licensing conditions on mortgage professionals, including education and testing. It (1) changes confidentiality and surety bond requirements, (2) expands the banking commissioner's enforcement and investigative authority, and (3) prohibits a number of actions by licensees.

PA 09-209, effective July 1, 2009 for most provisions

Another new law creates a registration system for tracking the owners of uninhabited one- to four-family dwellings obtained by foreclosure ("registrants"). It specifically allows towns, after notifying a registrant and providing an opportunity to remedy the situation, to enforce any statute or municipal ordinance governing the repair or maintenance of real estate.

PA 09-144, effective October 1, 2009

Finally, another law creates the crime of residential mortgage fraud. Under this law, a person who commits a single act of residential mortgage fraud is guilty of a class D felony (up to a \$ 5,000 fine, up to five years in prison, or both), while a person who commits two or more acts is guilty of a class C felony (up to a \$ 10,000 fine, up to 10 years in prison, or both).

PA 09-247, effective October 1, 2009

BUSINESS AND LABOR

Brownfields Development

A new law makes many changes affecting the regulatory framework for identifying, investigating, remediating, and developing brownfields. It broadens towns' ability to enter and inspect property and protects them from liability when remediating property with state economic development funds. The law establishes a program protecting developers from liability for contamination that escapes from a brownfield before they acquired it, if they follow state remediation standards. It sets a deadline for remediating property under the Transfer Act but allows property to be used while undergoing long-term, groundwater monitoring and remediation. Lastly, the new law requires state and quasi-public agencies to provide for the use of green remediation technologies when soliciting bids, requesting proposals, or negotiating contracts for remediating brownfields.

PA 09-235, effective on various dates

Help for Dairy Farmers

Legislators responded to economic conditions that are causing many dairy farmers to abandon their businesses and their land by increasing funding for the state's milk producer grant program. It did this by temporarily raising, until July 1, 2011, the fee people pay when filing documents with town clerks from \$30 to \$40. The same new law also changes the law concerning adulterated milk and updates the laws regulating fertilizer.

PA 09-229, effective on passage for the dairy farm relief, October 1, 2009 for adulterated milk; and July 1, 2009 for fertilizer

The budget (PA 09-3, JSS) appropriates \$10 million in FY 10 to the Department of Agriculture (DOAG) for dairy farmers. A subsequent act authorizes DOAG to use this money for grants to make up the difference between the federal pay price and the minimum sustainable monthly cost of production for milk. The grants must be distributed to milk producers by November 1, 2009 based on the amount of milk each producer generated between January 1 and June 30, 2009.

PA 09-7, SSS (§ 56), effective on passage

Motor Vehicle Franchises

Amid the auto industry's financial turbulence, the legislature (1) revised the laws that govern motor vehicle dealer compensation and termination, nonrenewal, or cancellation of a franchise agreement; (2) established new requirements when termination is due to discontinuation of a vehicle line; (3) added to the list of prohibited acts by manufacturers or distributors; and (4) provided other protections for dealers. It also substantially revised the way dealers are compensated for parts and labor in connection with pre-delivery preparation and warranty service.

PA 09-50, effective on passage

Leave to Care for Military Kin

A new law permits an employee to take up to 26 weeks of unpaid leave under the state family and medical leave laws to care for an immediate family member or next of kin who is a current member of the U. S. Armed Forces, National Guard, or military reserves and is (1) undergoing medical treatment, recuperation, or therapy; (2) otherwise in outpatient status; or (3) on the temporary disability retired list for a serious injury or illness. It provides 26 weeks of leave over a 12-month period for private sector workers and 26 weeks over two years for state employees.

PA 09-70, effective on passage

CHILDREN

Relatives as Preferred Caregivers

A new law creates a rebuttable presumption that it is in the best interests of a child who has been, or is at risk of being, removed from his or her home due to abuse or neglect allegations to be placed with a relative. It requires courts to look for relatives in the early stages of such cases. It allows a parent who is the subject of the abuse or neglect charges to ask the Department of Children and Families (DCF) to investigate placing the child with relatives and, where practicable, requires DCF to report on a relative's suitability at the first court hearing in the case.

PA 09-185, most provisions effective October 1, 2009

CONSUMER PROTECTION

Identity Theft

A new law makes numerous changes in laws relating to identity theft, Social Security numbers, and the dissemination of personal identifying information. It broadens the definition of "identity theft," increases the penalty for criminal impersonation, and creates the crime of unlawful possession of personal access devices. The new law also increases the penalties for identity theft when the victim is age 60 or older. It allows an identity theft victim to sue for damages in more situations, extends the statute of limitations from two to three years, and specifies that damages include lost wages and any financial loss resulting from the identity theft. And it requires, rather than allows, courts to issue orders to correct public records when a person is convicted of identity theft.

PA 09-239, most provisions effective October 1, 2009; some upon passage

CRIMINAL LAW

Death Penalty Repeal (VETOED)

The legislature eliminated the death penalty as a sentencing option for any crime. It did this by renaming "capital felonies," such as murdering a law enforcement officer, someone under age 16, or someone during a kidnap or sexual assault or committing murder for hire or multiple

murders at the same time, “murder with special circumstances.” It makes the penalty for this new crime life imprisonment without the possibility of release. Under prior law, the penalty for a capital felony was either death or life imprisonment without the possibility of release.

PA 09-107, effective on passage and applicable to crimes committed on or after that date

Machine Guns and Minors

The legislature barred anyone from selling, giving, or transferring a machine gun to someone under age 16, including temporarily transferring such a firearm to them to use in target shooting, at a firing or shooting range, or for any other purpose. The prohibition applies even though state law authorizes the transfer, possession, and acquisition of machine guns in accordance with federal law, as long as they are registered with the Public Safety Department. A violation of this new law carries a \$1,000 fine, imprisonment for up to 10 years, or both.

PA 09-62, effective October 1, 2009

EDUCATION

In-School Suspension

The General Assembly postponed, from July 1, 2009 to July 1, 2010, the implementation of a 2007 law limiting out-of-school suspensions. That law requires suspensions to be in-school unless the school administration determines, at the required informal suspension hearing, that the student (1) poses such a danger to people or property or (2) is so disruptive of the educational process that the suspension must be served outside of school.

PA 09-6, SSS, effective on passage

Interdistrict Magnet Schools and Sheff v. O’Neill

State support for interdistrict magnet schools and programs to address the *Sheff v. O’Neill* desegregation order was the subject of major legislation. The legislature increased per-pupil operating and transportation grants for *Sheff* magnet schools in the Hartford area. But grants for magnet schools in other parts of the state (non-*Sheff* magnet schools) were generally kept at FY 09 levels for the next two fiscal years.

The legislature also limited magnet school operating budgets, required magnet school operators to notify students' home districts when students enroll directly in a magnet school, and allowed *Sheff* magnet schools to operate without participation agreements with other districts. Finally, the legislature placed a moratorium on state construction and operating grants for new interdistrict magnet schools that do not help the state meet the *Sheff* order. The moratorium continues until the education commissioner develops a comprehensive statewide magnet school plan, which he must submit to the Education Committee by January 1, 2011.

PA 09-6, SSS, effective on passage

Teacher Certification, Qualifications, and Training

The legislature made several changes in teacher training and qualifications and professional development. It established new teaching certificates and permits and created waivers from testing requirements to allow teachers from other states or those whose qualifications do not coincide with Connecticut's teacher training requirements to teach in public schools. It eliminated the education commissioner's authority to waive a requirement that substitute teachers hold at least a bachelor's degree but later modified it to allow substitutes who do not hold a bachelor's degree to teach during the 2009-10 school year, but only in assignments lasting 10 or fewer school days.

The new act also (1) adds to the crimes requiring automatic revocation or denial of teaching credentials; (2) requires student teachers to undergo the same criminal background checks as other school personnel; (3) requires school districts to notify the education commissioner when they dismiss a person with a teaching credential for moral misconduct; and (4) bars anyone whose teaching credential is revoked from working in any public school in any capacity while the revocation remains in force.

PA 09-1, June 19 Special Session, effective July 1, 2009, and **PA 09-6, SSS**, effective on passage

Training and Mentorship Program for Beginning Teachers

The legislature established a new teacher education and mentoring (TEAM) program for beginning teachers to start July 1, 2010. The program must be aligned with State Board of Education-approved teaching principles, include guided teacher support and coaching by teacher mentors, and require beginning teachers to complete five learning modules to help them develop particular teaching skills. School districts, regional education service centers, unions, and public colleges and universities must cooperate with the State Education Department in developing and

administering the program, recruiting and training mentor teachers, and evaluating and assessing beginning teachers. The new program replaces the beginning educator support and training (BEST) program, which was repealed under a 2008 law on July 1, 2009.

PA 09-6, SSS, effective on passage

ELECTIONS

Primary Votes for 17-Year-Olds

The General Assembly passed legislation to implement the constitutional amendment electors passed in the 2008 election allowing a 17-year-old who will turn 18 on or before the day of a regular election to vote in its primary. Under this act, as under the constitutional amendment, such an individual must apply and otherwise qualify to be an elector. He or she may then vote in a party primary held to determine nominees for the regular election.

PA 09-36, effective on passage

U.S. Senate Vacancies

The legislature eliminated the governor's power to fill U. S. Senate vacancies by appointment and instead required a special election under most circumstances. It authorizes the governor to (1) appoint a replacement if there are 50 or more U. S. Senate vacancies and (2) nominate someone to fill a vacancy occurring during the last 14 months of a senator's term, which the General Assembly must confirm.

PA 09-170, effective on passage

ENVIRONMENT

Extending the Bottle Bill to Noncarbonated Beverages

The legislature extended to bottled water containers the existing five cent deposit on beer and soda containers. The new law covers water, flavored water, and nutritionally enhanced water but not juice and mineral water. It allows beverage makers to ask the governor to delay implementing the new requirement until October 1, 2009.

PA 09-2, effective April 1, 2009

Bisphenol-A Ban

Starting October 1, 2011, the legislature bans the sale, manufacture, and distribution in the state of infant formula and baby food stored in containers made with bisphenol-A and reusable food and beverage containers made with bisphenol-A. Bisphenol-A is used to make polycarbonate plastics found in such products as beverage containers, protective food can linings, and plastic dinnerware. Studies have shown it to have reproductive and developmental toxicity. The Department of Consumer Protection is responsible for enforcing the ban, within available appropriations.

PA 09-103, effective October 1, 2011

Dangerous Animals

In response to the recent chimpanzee attack in Stamford, the legislature added gorillas, chimpanzees, orangutans, and other members of the *hominidae* family to those animals considered potentially dangerous. Existing law bans the possession of potentially dangerous animals, and this new law increases the penalty for possessing one.

PA 09-198, effective October 1, 2009

Hunting & Fishing

The legislature created a recreational saltwater (marine sport) fishing license. The license fee is \$30 for residents and \$60 for nonresidents; state residents age 65 and older can get a license for free. This new law sets a baseline for the amount of state land available for hunting and prohibits the environmental protection commissioner from reducing the amount of state land in one location where hunting is permitted without providing for an equal amount of land elsewhere in the state. It also requires sports fishing marine and hunting license fees be used only for fish and game preservation and related activities.

PA 09-173, as amended by **PA 09-3, JSS**, most provisions effective on passage

Green Cleaning

A new law requires school boards to procure and properly use environmentally preferable cleaning products in their schools by July 1, 2011. These products must (1) meet guidelines or standards set by a

national or international certification program the Department of Administrative Services approves in consultation with the environmental protection commissioner and (2) as far as possible, minimize potential harmful effects on human health and the environment.

PA 09-81, effective October 1, 2009

GOVERNMENT ADMINISTRATION & FINANCE

State Employee Wages and Benefits

The General Assembly approved state employee cost savings for that are anticipated to reduce personnel costs by \$701.9 million over three years. The savings include a salary wage freeze for FY 2010, mandatory furlough days, an employee retirement incentive, increased employee health insurance premium contributions and prescription co-pays, and new employee contributions to fund retiree health care.

SA 09-6, HR 31, SR 28, all effective on passage

Revenue Estimate Agreement (VETOED, OVERRIDDEN)

The legislature required the Executive and Legislative branches to reach consensus on their estimates of the state's revenue by October 15th each year. The estimates must cover the current biennium and the three following years. If they cannot agree, the comptroller must issue the consensus estimate, which must either equal one of the branches' separate estimates or fall between the two. The consensus estimate and its periodic revisions must (1) serve as the basis for the governor's proposed budget and for the revenue statement included in the final budget act passed by the legislature to indicate that the budget is balanced and (2) be included the annual fiscal accountability reports submitted to the legislature's fiscal committees each November.

PA 09-214, effective on passage

Benefits for State Contract Workers (VETOED, OVERRIDDEN)

The legislature provided for enhanced benefits for employees of private contractors who do building and property maintenance, property management, and food service work in state buildings. It created a new way for determining the hourly wage and benefits for these employees under the standard wage law, which governs their compensation. Under this new law, contract employees hired after July 1, 2009 will receive the same prevailing wage rates and benefits as employees working under a Hartford-area union agreement covering the same type of work. Those

already employed by these contractors on July 1, 2009 receive the wage rates established under prior law and the same benefits as employees working under the Hartford-area union contract for the same type of work.

PA 09-183, effective July 1, 2009

HEALTH CARE AND HEALTH INSURANCE

Health Care Insurance Pooling

The legislature enacted two major pieces of health care reform this session to expand insurance coverage and lower costs by creating large coverage pools and encouraging illness prevention and information technology.

Under the Connecticut Healthcare Partnership, the comptroller must convert the state employee health insurance plan, excluding dental, to a self-insured arrangement for benefit periods beginning July 1, 2009. She must then offer employee and retiree coverage under the self-insured state plan to (1) municipalities and other nonstate public employers beginning January 1, 2010; (2) municipal-related and nonprofit employers beginning July 1, 2010; and (3) small employers beginning January 1, 2011. The state must charge employers participating in the state plan the same premium rates it pays, but can adjust a small employer's rate to reflect its group characteristics.

PA 09-147, (VETOED) effective July 1, 2009, with some provisions effective on passage

The second act establishes a nine-member board to recommend to the legislature, by January 1, 2011, the details of and implementation process for a self-insured health care plan called Sustinet. The recommendations must address (1) the phased-in offering of the Sustinet plan to state employees and retirees, HUSKY A and B beneficiaries, people without employer-sponsored insurance (ESI) or with unaffordable ESI, small and large employers, and others; (2) establishing an entity that can contract with insurers and health care providers, set reimbursement rates, develop medical homes for patients, and encourage the use of health information technology; (3) a model benefits package; and (4) public outreach and ways to identify uninsured citizens.

The board must establish committees to make recommendations to it about health information technology, medical homes, clinical care and safety guidelines, and preventive care and improved health outcomes. The act also establishes an independent information clearinghouse to inform employers, consumers, and the public about Sustinet and private health care plans and creates task forces to address obesity, tobacco usage, and health care workforce issues.

PA 09-148, (VETOED, OVERRIDDEN) effective July 1, 2009 for most provisions

Autism Coverage

The legislature broadened what a group health insurance policy must cover concerning autism spectrum disorders. It required a policy to cover the diagnosis and treatment of these disorders, including (1) behavioral therapy for a child age 14 or younger and (2) certain prescription drugs and psychiatric and psychological services. A policy can limit coverage for behavioral therapy to \$50,000 a year for a child age eight or younger, \$35,000 for a child from age nine to 12, and \$25,000 for a 13-or 14-year-old. But the new law specifies that it does not limit or affect (1) other covered benefits under the policy or the state's mental and nervous condition and birth-to-three coverage laws or (2) a school board's obligation under state and federal law to provide services to a student with autism.

PA 09-115, effective January 1, 2010

Terminating Medical Benefits for Qualified Aliens

A new law eliminates state-funded coverage for adults and children who are ineligible for Medicaid or HUSKY B because they have lived in the U. S. for less than five years. (Once here for five years they generally qualify for these federally funded programs.) But immigrants who were receiving state-funded home care or nursing home care on September 8, 2009 continue to receive coverage for these services as long as they meet Medicaid eligibility criteria, except immigration status. And children and pregnant women who were admitted legally less than five years before they began receiving services must continue to receive coverage until a state plan amendment concerning federal funding to cover them is approved.

PA 09-5, SSS (§§ 20, 55, 64, 78), effective on passage

Dental Services

Anyone who receives coverage for dental services through Medicaid, HUSKY B, and SAGA must, under a new law, obtain prior authorization for most nonemergency services. The DSS commissioner must, at least quarterly, retrospectively review payments for emergency dental services and restoration procedures for appropriateness of payment. He can recoup payments for services he determines were not for an emergency condition or that otherwise exceeded what was medically necessary.

PA 09-5, SSS (§§ 48-49), effective on passage

Menu Labeling (VETOED)

By July 1, 2010, a new law requires each chain restaurant in the state to inform consumers of the total number of calories for each standard item on its menu. It applies to restaurants that are part of a group of 15 or more restaurant locations nationally that do business under the same trade name and offer predominantly the same type of meals, foods, or menu, regardless of individual restaurant's ownership. It does not apply to grocery stores, movie theaters, itinerant food vendors, or catering establishments.

PA 09-157, effective July 1, 2009 for most provisions; the inspection provision is effective July 1, 2010

JUDICIAL MATTERS

Probate Court Reorganization

The General Assembly refashioned the way probate court judges are compensated and set the stage for a new probate court map. Effective January 5, 2011, a new law replaces the current fee-based compensation system with one based on population and weighted workload in which a judge's compensation is paid directly from the Probate Court Administration Fund and requires each probate court to remit all its income to the state for deposit in the fund. It establishes four pay levels for judges linked to Superior Court judges' salaries. It also requires, with some exceptions, that probate judges elected on or after January 5, 2011 be attorneys.

This new law creates a commission to develop a plan to consolidate the 117 existing probate courts into between 44 and 50 districts and present the plan to the General Assembly by September 15, 2009. The Connecticut Probate Assembly can also submit a redistricting plan for the commission to consider. A subsequent act based on the commission's recommendations establishes 54 districts and requires the probate court administrator to designate a name for each by March 31, 2010.

PA 09-114, October 1, 2009, with funding provisions effective January 1, 2011 and compensation provisions effective January 5, 2011 and **PA 09-1, September 23 Special Session**, effective January 5, 2011, except for the provision requiring the probate court administrator to name the newly created districts by March 31, 2010, which is effective upon passage.

Marriage

By redefining "marriage" as the legal union of two people, the legislature responded to the Connecticut Supreme Court's 2008 decision that held that restricting marriage to a man and a woman is unconstitutional. This new law exempts clergy; churches; and tax-exempt, church-controlled organizations from officiating or participating in a marriage ceremony that violates their religious freedom or beliefs. It also (1) provides certain other religious organizations legal protections for refusing to provide services related to marriage ceremonies; (2) continues to permit fraternal benefit societies to determine their membership and beneficiaries; and (3) permits religiously affiliated organizations to operate adoption, foster care, or social service programs as they choose if these programs receive no state or federal funds.

PA 09-13, effective on passage for most provisions

Recovery for False Medical Claims

PA 09-5, SSS creates a Connecticut False Claims Act (FCA) applicable to Department of Social Services (DSS) medical assistance programs, including Medicaid, State-Administered General Assistance (SAGA), HUSKY B, and Charter Oak. The new law subjects a variety of actions to false claims suits, including knowingly (1) presenting false or fraudulent claims for payment or approval, (2) delivering fewer goods than promised, and (3) making or using false documents to conceal payment obligations.

Recent changes in federal law permit states that adopt their own FCA to keep a greater share of any Medicaid funds they recover under it. The act imposes civil penalties up to \$10,000 and, in some cases, treble damages. It permits individuals who bring claims to receive between 15% and 25% of the proceeds.

PA 09-5, SSS (§§ 1-18), effective on passage

LOCAL AND REGIONAL DEVELOPMENT

Smart Growth

A concern over the social, economic, and environmental effects of uncoordinated development led the General Assembly to adopt several pieces of “smart growth” legislation. One act requires a legislative committee to study how the state prepares its Plan of Conservation and Development, focusing on how smart growth principles are incorporated in the plan and how the plan is applied to state agency actions and integrated with municipal and regional plans. These principles include (1) coordinating planning and decision-making across all governmental levels and policy areas, (2) reducing local dependence on property taxes, (3) promoting mixed-use development near transportation nodes, and (4) conserving natural resources.

PA 09-230, most sections effective upon passage

Another act creates a process for developers proposing regionally significant projects to request a pre-application review by state or local agencies. The act specifies components that each of the state’s 15 regional planning organizations must incorporate into a process for its area. A project of regional significance is an open air theater, shopping center, or other private development that is planned to create more than (1) 500,000 square feet of indoor commercial or industrial space, (2) 250 housing units in a one- to three-story building, or (3) 1,000 parking spaces.

PA 09-165, effective October 1, 2009

A third smart growth-related act creates a coordinated process for state agencies to review municipal development proposals. It requires the environmental protection, public health, and transportation commissioners and the State Traffic Commission, within 60 days after receiving a municipality’s formal application or request for a permit, to conduct a preliminary review to determine whether the submission is acceptable for filing. This process takes priority over laws requiring other procedures.

PA 09-190, effective October 1, 2009

Regional Development

In an effort to reduce competition among towns for development that generates more property tax revenue, the legislature allowed towns to enter into mutual agreements to (1) promote regional economic development and (2) share the real and personal property tax revenue from new development. The new law allows the chief elected officials of two or more towns that belong to the same federal economic development district to agree (1) not to compete for new economic development and (2) on the types of projects subject to the agreement. The law also requires regional councils of elected officials to identify opportunities for, and obstacles to, interlocal agreements.

PA 09-231, effective October 1, 2009

SENIORS

ConnPACE

The legislature froze the ConnPACE income limit at \$25,100 annually for a single person and \$33,800 for married couples until January 1, 2012. It increased the ConnPACE annual registration fee from \$30 to \$45. And it required ConnPACE applicants and recipients eligible for Medicare Part D to enroll in one of that program's 12 basic coverage, low-premium "benchmark" plans. ConnPACE provides "wraparound" services for recipients enrolled in Medicare Part D.

PA 09-5, SSS (§§33, 47), effective on passage

ConnPACE Plus

More low-income seniors and people with disabilities will be eligible to participate in the federal Medicare Savings Program (MSP) under a new law that effectively extends the program to people with incomes as high as the ConnPACE limits (\$25,100 for individuals and \$33,800 for married couples in 2009). The Department of Social Services pays for MSP participants' Medicare Part A or Part B premiums, or both. And qualifying for MSP also qualifies people for another federal program that pays some or all of their Medicare Part D drug benefit premium and any Part D "doughnut hole" charges. Participants also pay lower co-payments for each prescription.

PA 09-2, effective April 1, 2009

Medicare Part D

A new law limits the type of prescription drug plans available to certain people who are eligible for both Medicare and Medicaid (dually eligible). It requires all full-benefit dually eligible individuals (those for whom DSS provides coverage for services that Medicare does not) to enroll only in one of 12 “benchmark” prescription drug plans. Previously, they could choose one of 47 plans. (These individuals get help paying for their premiums and co-payments from the federal Low-Income Subsidy (LIS) programs.) The annual federal premium payment is limited—it only covers premiums for benchmark prescription plans (\$ 31.74 per month in 2009). Previously, if a dually eligible person picked a plan with a more expensive premium, DSS paid the difference between the federal benchmark payment and the actual premium cost. Benchmark plans offer basic Part D coverage with premiums equal to or lower than the regional low-income premium subsidy amount calculated annually.

PA 09-5, SSS (30-31, 33), effective on passage

Silver Alerts

A new law requires the Department of Public Safety’s Missing Child Information Clearinghouse to collect, process, maintain, and disseminate information to help local authorities locate missing seniors age 65 and older and adults with mental impairments who are at least 18 years old. It also requires local police receiving a report of a missing senior or mentally impaired adult to immediately accept the report and notify all on-duty police officers and other appropriate law enforcement agencies. Prior law required this only for reports of missing children under age 15.

PA 09-109, effective July 1, 2009

TAXES AND OTHER REVENUES

Tax Changes

The General Assembly enacted the following permanent, temporary, and contingent tax changes in 2009.

- **Income Tax:** It increased income taxes for those with taxable incomes over \$1 million for joint filers, \$800,000 for heads of households, and \$500,000 for single filers and married people filing separately by adding a third, higher-income tax bracket and increasing the marginal tax rate for income in that bracket from 5.0% to 6.5%. The increase applies to tax years starting on or after January 1, 2009.

- **Sales and Use Tax:** It reduced the sales and use tax rates as of January 1, 2010 from 6% to 5.5%, unless General Fund tax revenue estimates for FY 10 fall by 1% or more from those adopted in the budget. If the reduction takes effect and revenue estimates issued between January 1, 2010 and June 30, 2010 show a drop in FY 10 General Fund revenue at least 1% below the adopted revenue estimate, the tax rate goes back to 6% on July 1, 2010.
- **Corporation Tax:** It imposed a 10% corporation tax surcharge on companies with more than \$100 million in gross revenue for the 2009-2011 income years.
- **Cigarette and Tobacco Products Tax:** Starting October 1, 2009, it increased the (1) cigarette tax by \$1, from \$2 to \$3 per pack of 20, (2) tobacco products tax from 20% to 27.5% of the wholesale price, and (3) tax on snuff tobacco from 40 cents to 55 cents per ounce. The tobacco products tax applies to cigars, cheroots, pipe tobacco, and similar products.
- **Estate and Gift Tax:** It decreased the estate and gift tax by (1) increasing, from \$2 million to \$3.5 million, the threshold for the value of an estate or gift subject to the tax; (2) reduced marginal tax rates by 25%; and (3) eliminated the tax “cliff.” The changes take effect with deaths occurring and gifts made on or after January 1, 2010.

PA 09-3, JSS, various effective dates

Fee Increases

The General Assembly raised most state licensing and other fees (except motor vehicle fees) by (1) increasing fees to at least \$15; (2) doubling fees under \$150; (3) increasing fees between \$150 and \$1,000 by 25%; and (4) adding \$250 to fees of \$1,000 or more. Most increases are effective October 1, 2009.

PA 09-3, JSS

Borrowing Against Future State Revenue

A new law requires the state treasurer and the Office of Policy and Management secretary jointly to develop a plan to raise up to \$1.29 billion in net general state revenue for FY 11. The financing plan can include (1) “securitization” of revenue from the state lottery; (2) issuing bonds and other debt instruments or placing them privately; or (3) purchasing state debt instruments by public pension and trust funds, such as the state, municipal employees’, and teachers’ retirement funds. “Securitization” allows the state to borrow against a future revenue stream.

PA 09-3, JSS, as amended by **PA 09-7, SSS**, effective on passage)

Economic Recovery Notes

The legislature authorized the state to issue economic recovery notes to fund (1) the FY 09 General Fund deficit, (2) the interest payable or accrued on the notes through June 30, 2011, and (3) the costs of their issuance. The notes are state general obligations and must mature by July 1, 2016. The debt on the notes is exempt from the statutory limit on General Fund-supported debt. The act also overrides the statutory requirement that money in the Budget Reserve Fund be deemed appropriated to cover the FY 09 deficit. Instead, the budget act (PA 09-3, JSS) transferred the fund balance to General Fund revenue for FY 10 and FY 11.

PA 09-2, JSS, effective on passage

Delaying Property Revaluations

As a response to economic conditions affecting both property owners and local governments, the legislature gave towns the option of delaying statutorily required revaluations for three years. It allowed towns that, by law, revalued or had to revalue real property in 2008, 2009, or 2010 to delay action until October 1, 2011, thus allowing them to continue taxing property based on October 1, 2007 values. The towns must revalue the property at that time. The new law allows a similar three-year delay for towns phasing in assessment increases from earlier revaluations. A town's legislative body must approve either type of delay.

The same measure also allows two or more towns to agree to revalue their property according to the same schedule even if the regional schedule requires some participating towns to revalue before or after their individual revaluation schedules require. The Office of Policy and Management secretary must approve the regional schedule and any delay in a municipal revaluation resulting from such a schedule.

PA 09-60, upon passage for the revaluation and revaluation phase-in delays and July 1, 2009 for the regional revaluations. Both options are applicable to assessment years beginning on or after October 1, 2008.

TRANSPORTATION

A new law makes numerous changes to motor vehicle laws and Department of Motor Vehicles (DMV) operations. Some of the most significant changes include:

- decreasing, from .08% to .04%, the presumptive level for determining if a commercial motor vehicle driver has an elevated blood-alcohol level for both the criminal offense and the administrative suspension and extending to all locations, including private property, the prohibition against someone under age 21 operating a vehicle on a highway with a blood-alcohol level of .02% or higher;
- requiring the Department of Environmental Protection to evaluate whether the state's motor vehicle emissions inspection program can remain in compliance with federal law and advising the DMV of its findings before any new agreements for the program are made;
- changing rules for issuing handicapped parking credentials;
- authorizing golf carts to operate on local roads under certain circumstances;
- establishing requirements and procedures for sale or disposal of motor vehicles left at self-storage facilities by defaulting renters; and
- creating collegiate "commemorative" and "Share the Road" special license plates.

PA 09-187, effective on various dates

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