OLR Bill Analysis

HB 7287

Emergency Certification

AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027, AND MAKING APPROPRIATIONS THEREFOR, AND PROVISIONS RELATED TO REVENUE AND OTHER ITEMS IMPLEMENTING THE STATE BUDGET.

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§ 55 — YOUTH DEVELOPMENT ORGANIZATION TAX CREDIT

Limits the donations that qualify for the youth development organization tax credit to those made to eligible nonprofits in Connecticut

§§ 56-58 — ANNUAL DISTRIBUTION OF SPECIAL LICENSE PLATE-RELATED FEES

Requires the OPM secretary to distribute the funds from three special license plate-related accounts annually, rather than quarterly as under current law

§§ 59 & 60 — R&D AND R&E TAX CREDITS FOR QUALIFYING LLC

Allows a single member LLC that meets specified employment and industry parameters to earn R&D and R&E credits and allows the LLC's corporate owner to claim the credits the LLC earned

§§ 61 & 62 — ATTORNEY GENERAL DEFENSE OF STATE EMPLOYEES

Allows the AG, under certain conditions, to defend state employees as witnesses in criminal investigations, or in federal criminal investigations or prosecutions, related to performing their job duties

§§ 63-70 — RESERVED SECTIONS

Reserved sections

§ 71 — CJPPD PRISON EDUCATION PROGRAMS

Requires OPM's CJPPD to develop and implement policies for postsecondary educational programs in correctional facilities

§§ 72-75 & 77 — REPEAL OF DIGITAL ANIMATION TAX CREDIT

Eliminates the digital animation tax credit and makes conforming changes

§§ 76 & 77 — GAAP DEFICIT APPROPRIATIONS AND AMORTIZATION REQUIREMENTS

Eliminates provisions (1) related to the GAAP deficit bonds the state redeemed in 2023 and (2) requiring the state to amortize the negative balances that accumulated in state funds for FYs 13 and 14 before the state adopted GAAP in FY 14

§ 77 — REPEAL OF CONNECTICUT NEW OPPORTUNITIES FUND

Repeals the law requiring CI to establish the Connecticut New Opportunities Fund to invest in seed stage and emerging growth companies in the state

§ 78 — FINISH LINE SCHOLARS PROGRAM

Requires BOR to establish a finish line scholars program awarding grants to students who received a Mary Ann Handley program award and then enroll in a bachelor's program at Charter Oak State College or CSCU

§ 79 — PROJECT LONGEVITY INITIATIVE

Removes Norwich from the list of cities in which the project longevity initiative must be implemented

§§ 80 & 81 — CLC PAYMENTS FOR DCP REGULATORY EXPENSES

Adjusts the process for CLC to pay DCP for its reasonable and necessary costs in overseeing the CLC's activities

§ 82 — STATE PROPERTIES REVIEW BOARD REVIEW OF DAS CONSULTANT CONTRACTS

Increases, from $100,000 to $300,000, the value threshold of a DAS consultant contract or task letter that triggers a requirement for approval by the State Properties Review Board

§§ 83 & 84 — ADVERTISING DAS REAL ESTATE NEEDS

Requires certain DAS real estate notices to be posted online instead of through newspaper advertisements

§ 85 — DAS CONSTRUCTION SERVICES SELECTION PANELS

Increases the project value threshold, from $5 million to $7.5 million, that determines whether a construction services selection panel must have three or five members

§§ 86-91 — PROBATE COURT NOTICES SENT TO DAS

Removes requirements that DAS get various notices from probate courts, primarily related to conservatorships

§§ 92 & 93 — DAS REPEALERS

Repeals provisions related to certain DAS reporting requirements and personal protective equipment

§§ 94 & 470 — MUNICIPAL VIDEO COMPETITION TRUST ACCOUNT

Repeals annual offsetting $5 million transfers between the municipal video competition trust account and the General Fund

§§ 95-97 — SMALL BUSINESS EXPRESS ASSISTANCE ACCOUNT

Allows DECD to use funds in the small business express assistance account for certain department duties related to supporting business growth

§§ 98-104 — OUTDATED AGENCY REPORTS REPEALED

Repeals certain outdated agency reports and related provisions and makes conforming changes; eliminates the requirement that the budget document present a list of budgeted agency programs and a supporting schedule of total agency expenditures

§ 105 — REPORT ON GRANT PROGRAM FOR CERTAIN LICENSED HEALTH CARE PROVIDERS WORKING AS ADJUNCT PROFESSORS

Requires OHE to also submit its annual report on a grant program for certain licensed health care providers who are adjunct professors to the Appropriations Committee

§ 106 — EXECUTIVE BRANCH DATA GOVERNANCE

Eliminates a requirement for the state CDO to annually report on ways to share executive branch high value data

§ 107 — WORKFORCE HOUSING OPPORTUNITY DEVELOPMENT TAX CREDITS

Sets the workforce housing opportunity development program tax credit at 50% of eligible cash contributions, rather than an amount specified by the DOH commissioner as current law requires

§ 108 — USE OF BOND PREMIUMS

Delays by two years, from July 1, 2025, to July 1, 2027, the requirement that the state treasurer direct bond premiums on GO and credit revenue bond issuances to an account or fund to pay for previously authorized capital projects

§§ 109-122 — CONNECTICUT MUNICIPAL DEVELOPMENT AUTHORITY

Effectuates the authority's name change; allows any municipality other than Hartford and East Hartford to work with the authority; makes it easier for municipalities to opt to work with the authority

§§ 123 & 124 — PAYMENT FOR CERTAIN PRETRIAL PROGRAMS

Under certain conditions, generally requires a person's public or private insurance, rather than DMHAS, to cover the cost of substance use treatment under specified pretrial programs

§ 125 — OPIOID SETTLEMENT ADVISORY COMMITTEE

Adds two members to the Opioid Settlement Advisory Committee

§§ 126-130 — TELEHEALTH PRESCRIPTION OF OPIOIDS

Specifically allows opioids to be prescribed through telehealth as part of medication-assisted treatment or to treat a psychiatric disability or substance use disorder

§§ 131 & 132 — REFERRAL TO MFAC AND DESIGNATION AS TIER I

Narrowly changes the law's triggers for referral to MFAC and designation as Tier I

§ 133 — DISTRICT PILOT GRANT REDIRECTED TO TOWN OF WINDHAM

Redirects certain PILOT grants for fire districts to Windham

§ 134 — MATERNITY CARE REPORT CARD

Requires the DPH commissioner to (1) establish an annual maternity care report card for birth centers and hospitals that provide obstetric care, (2) establish an advisory committee to establish the report card's contents, and (3) adjust the report card based on patient acuity levels

§§ 135 & 136 — CAPITAL REGION DEVELOPMENT AUTHORITY

Requires the CRDA board of directors to submit its annual report within the first 120, rather than the first 90, days of the fiscal year; exempts CRDA-owned or -leased land or improvements from local taxes and makes them eligible for PILOT grants

§§ 137-144 — SOCIAL EQUITY AND INNOVATION ACCOUNT

Eliminates the Cannabis Social Equity and Innovation Fund and instead places the money from that fund into the social equity and innovation account, which is appropriated for different purposes

§§ 147 & 148 — LAW ENFORCEMENT TRAINING

Requires DESPP, in consultation with POST, to establish a (1) social work and law enforcement project at SCSU and (2) crime scene processing, forensic evidence, and criminal investigations police training center at CCSU

§ 149 — RESERVED SECTION

Reserved section

§ 150 — PLAN FOR INCLUSIVE EDUCATIONAL OPPORTUNITIES WITHIN THE CONNECTICUT STATE UNIVERSITY SYSTEM (CSUS)

Requires a plan for inclusive educational programs for students with intellectual or developmental disabilities at CSUS

§ 151 — UCONN HEALTH NEUROMODULATION CENTER

Requires the UConn Health Center to establish a Center of Excellence for Neuromodulation Treatments

§§ 152 & 153 — HIGHER EDUCATION CONSTITUENT UNITS AND ENERGY-SAVINGS PERFORMANCE CONTRACTS

Authorizes the constituent units to establish their own energy-savings performance contract process, rather than use DEEP's, but subject to many of the same requirements as DEEP's process

§§ 154-156 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority to participate in a program that provides certain benefits to firefighters with cancer; makes conforming changes to align with changes made by PA 25-4

§ 157 — LICENSING FOR INSTALLERS OF PREFABRICATED WINDOWS OR DOORS

Requires an installer of pre-glazed or preassembled windows or doors in commercial buildings to be licensed as a flat glass contractor or journeyperson

§§ 158 & 159 — PFAS IN JUVENILE PRODUCTS

Renames "children's products" as "juvenile products" in the law that regulates the sale and use of certain products containing PFAS

§ 160 — PREVAILING WAGE FOR CERTAIN DECD-ASSISTED BUSINESS CONSTRUCTION PROJECTS

Exempts certain nonprofit organizations from the prevailing wage requirements for projects receiving at least $1 million in DECD financial assistance, with exceptions; limits the portion of DECD-assisted remediation projects subject to these prevailing wage requirements to only the portion described in the financial assistance contract between the business and DECD

§ 161 — ANNUAL ADJUSTMENTS TO PREVAILING WAGE RATES

Requires contractors awarded contracts for DECD or renewable energy prevailing wage projects to adjust wage and benefit contributions each July 1 during the contract to reflect changes in the prevailing wage

§ 162 — PREVAILING WAGE FOR OFFSITE CUSTOM FABRICATION

Extends the state's prevailing wage law to cover off-site custom fabrication for a public works project

§ 163 — STATE MARSHALS HEALTH INSURANCE

Allows state marshals to participate in the state employee health insurance plan under certain conditions

§ 164 — PROBATE JUDGE VACANCIES

Removes state marshals from the process required to transmit the governor's order for an election to fill a probate judge vacancy

§§ 165-172 — UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM REPEAL, TRANSFERS, AND APPLICATIONS

Repeals the UST petroleum clean-up program and cancels any pending applications; transfers and credits all amounts appropriated and remaining for the program to the General Fund; decouples contaminated soil or groundwater remediations from program funding

§§ 173 & 174 — LOCAL HEALTH DEPARTMENT AND DISTRICT FUNDING

Requires the Department of Public Health to increase aid to municipal and district health departments starting in FY 27

§§ 175-179 — CANNABIS POLICIES AND PROCEDURES EXTENSION

Extends the maximum effective period of cannabis policies and procedures by 15 months, if regulations have not been adopted

§ 180 — COMMUNITY OMBUDSMAN PROGRAM

Expands the scope of the Community Ombudsman program by extending the ombudsman's authority to a broader range of services

§ 181 — DSS QUALITY REIMBURSEMENT PROGRAM FOR NURSING HOMES

Allows DSS, starting October 1, 2026, and within available appropriations, to establish a quality metrics program to incentivize nursing homes to provide higher-quality care to Medicaid residents

§ 182 — ROAD NAMING

Eliminates a road naming from sSB 1377 of the current session

§ 183 — WATER FLUORIDATION

Codifies the amount of fluoride that water companies must add to the water supply, rather than tying the amount to federal recommendations

§ 184 — FEDERAL RECOMMENDATION ADVISORY COMMITTEE

Allows DPH to create an advisory committee on matters related to CDC and FDA recommendations

§§ 185 & 186 — EMERGENCY DEPARTMENTS AND EMERGENCY CARE PROVIDERS

Requires hospital emergency departments to provide services related to pregnancy complications when necessary; prohibits emergency departments, or their providers, from discriminating on various bases; requires hospitals to comply with the federal EMTALA, and DPH to adopt certain EMTALA-related provisions into state regulations if the federal law is revoked; allows DPH to take disciplinary action against hospitals or providers who violate these provisions

§ 187 — SAFE HARBOR ACCOUNT

Creates an account funded by private sources to award grants to nonprofit organizations that provide funding for reproductive or gender-affirming health care services or collateral costs related to these services

§§ 188 & 189 — OPIOID USE DISORDER

Declares opioid use disorder to be a public health crisis in the state and requires the Alcohol and Drug Policy Council to convene a working group to set goals to combat this disorder's prevalence

§ 190 — PUBLIC HEALTH URGENT COMMUNICATION ACCOUNT

Creates an account to fund DPH communications during public health emergencies

§ 191 — EMERGENCY PUBLIC HEALTH FINANCIAL SAFEGUARD ACCOUNT

Creates an account to address unexpected shortfalls in public health funding

§ 192 — SUDEP INFORMATION

Requires physicians, APRNs, and PAs who regularly treat patients with epilepsy to give them information on sudden unexpected death in epilepsy

§ 193 — AEDS AT CERTAIN LONG-TERM CARE FACILITIES

Requires nursing homes and certain managed residential communities to have an AED in a central location

§ 194 — PANCREATIC CANCER SCREENING PROGRAM

Requires DPH, within available appropriations, to create a pancreatic cancer screening and treatment referral program

§ 195 — EMS ADMINISTERING GLUCAGON NASAL POWDER

Requires EMS personnel to receive training on administering glucagon and allows them to administer glucagon nasal powder when necessary

§ 196 — HOSPITAL FINANCIAL ASSISTANCE PORTAL

Requires OHA to contract with a vendor to develop an online hospital financial assistance portal for patients and their family members

§ 197 — FOOD CODE REVISIONS

Requires the DPH commissioner to adopt into the state's food code any FDA food code revision issued by the end of 2024, and gives her the discretion to adopt other supplements to the federal code

§§ 198-200 — HOME HEALTH AND HOSPICE

Makes various changes to laws on home health and hospice agency staff safety, such as (1) requiring health care providers to give these agencies certain information when referring or transferring a patient to them, (2) extending to hospice agencies certain requirements that already apply to home health agencies, and (3) requiring these agencies to create a system for staff to report violent incidents or threats

§ 201 — EVALUATION OF DOC HEALTH CARE SERVICES

Requires the correction ombuds to evaluate health care services for incarcerated individuals, and specifies certain steps he may take when doing so

§ 202 — CONSERVATOR APPOINTMENT EXPEDITED PROCESS

Requires the probate court administrator and DSS commissioner to evaluate the feasibility of establishing an expedited process to appoint a conservator for hospital emergency department patients who lack the capacity to consent to services

§ 203 — HOSPITAL REPORTING ON EMERGENCY DEPARTMENTS

Adds to the required recipients of hospitals' annual reports analyzing emergency department data

§ 204 — HOSPITAL DISCHARGE WORKING GROUP

Creates a working group on hospital discharge challenges

§ 205 — CSCU RESERVE FUND EXPENDITURE WORKING GROUP

Establishes a working group to oversee and monitor expenditures from each reserve fund of CSCU or the higher education institutes within CSCU

§§ 206-211 — LACTATION CONSULTANT LICENSURE

Creates a DPH licensure program for lactation consultants; allows unlicensed people meeting specified criteria to practice lactation consulting or provide related services, if they do not refer to themselves as "lactation consultants"

§§ 212-241 — STATE CONTRACTING DISPARITY STUDY AND SMALL BUSINESS AND MBE SPENDING ALLOCATION PROGRAM

Changes value thresholds that determine whether certain public works contracts are subject to state laws on non-discrimination contract compliance, the Small and Minority Owned Business Set-Aside Program, and affirmative action plans for certain state contractors; converts the set-aside program into the spending allocation program by, among other things, replacing the current 25% set-aside requirements with annual spending allocation goals by industry category and contract-specific spending allocation goals based on certain localized data; requires the state to do a disparity study every five years; makes other changes related to state contracting

§§ 242 & 243 — STUDY AND WORKING GROUP ON TRANSPORTATION NETWORK COMPANIES AND THIRD-PARTY DELIVERY COMPANIES

Requires the comptroller to study the compensation of TNCs and third-party delivery company drivers; creates a working group on TNCs and third-party delivery companies

§ 244 — LYME GRANGE FAIR ASSOCIATION

Removes a cap on the value of property the association can own

§§ 245 & 246 — MUNICIPAL LIEN ASSIGNMENT

Starting July 1, 2026, reduces, from 18% to 12%, the annual interest rate on assigned municipal property tax liens; for these liens and those for delinquent municipal sewer assessments, requires a written contract between the municipality and the assignee for the assignments to be valid and enforceable; caps attorney's fees related to a foreclosure, sale, or other disposition of these assigned liens at 15% of the judgment

§§ 247-256 — VETERAN PROPERTY TAX EXEMPTIONS

Modifies the 100% P&T veteran property tax exemption; establishes two new municipal-option veteran-related property tax exemptions for (1) surviving spouses of active duty servicemembers killed in the line of duty and (2) state residents determined by U.S. DVA to have a service-connected TDIU rating

§ 257 — EMERGENCY CHILD PLACEMENT

Specifies that an "emergency placement" of a child occurs when they are placed in the home of a relative or fictive kin due to their primary caretaker's sudden unavailability

§§ 258-261 — RESERVED SECTIONS

Reserved sections

§ 262 — SEEC EXECUTIVE DIRECTOR REAPPOINTMENTS

Specifies that SEEC may reappoint its executive director for an additional term, up to an additional four years, without receiving legislative approval; specifies that an executive director who has been reappointed may not be reappointed again

§§ 263 & 264 — JUVENILE JUSTICE POLICY AND OVERSIGHT COMMITTEE MEMBERSHIP & ADVISORY COUNCIL

Expands JJPOC's membership to include the DOH and DESPP commissioners; establishes an advisory council to help develop the state's juvenile justice plan

§ 265 — SDE CHRONIC ABSENTEEISM REPORT

Requires SDE to annually report to JJPOC on each school district with an attendance review team

§ 266 — MUNICIPAL DIVERSION DATA

Requires annual reports to the Children and Judiciary committees and the Office of the Chief State's Attorney about diversions through juvenile review boards or youth diversion programs

§ 267 — YOUTH DIVERSION POLICY

Requires POST, the JJPOC chairpersons, and representatives of the JJPOC community expertise subcommittee to develop a youth diversion policy and youth diversion training curriculum

§ 268 — DCF REPORT ON SPECIALIZED TRAUMA-INFORMED TREATMENT PLAN

Requires DCF to annually report to JJPOC on its implementation of the STTAR Enhancement Plan

§ 269 — REENTRY SUCCESS PLAN

Requires OPM to (1) annually report to JJPOC on the reentry success plan for juveniles released from DOC and judicial branch facilities and programs and (2) coordinate policy development between OPM and CSSD

§§ 270-277 — REAL ESTATE WHOLESALERS

Generally requires real estate wholesalers to be registered with DCP; requires real estate wholesale contracts to include a seller's right to cancel within three business days without penalty; requires real estate wholesalers to make certain disclosures and provide a DCP-developed wholesaler disclosure report

§ 278 — PRESUMED ABANDONED FUNERAL SERVICE CONTRACTS

Modifies the list of properties sSB 1434, as amended by Senate "A," requires property holders to obtain from funeral service establishments for certain presumed abandoned funeral service contracts

§ 279 — ARTIFICIAL INTELLIGENCE (AI) DISCLOSURE REQUIREMENTS

Generally requires, beginning October 1, 2026, (1) anyone doing business in Connecticut who deploys an AI system that interacts with consumers to ensure it is disclosed to each consumer the system interacts with that the consumer is interacting with an AI system and (2) deployers of a high-risk AI system used to make, or that is a substantial factor in making, consequential decisions to make certain disclosures and allow consumers the opportunity to correct information and appeal adverse decisions

§§ 280 & 281 — ROBERTA B. WILLIS SCHOLARSHIPS

Limits the Roberta B. Willis Scholarship Program to only need-based grants and requires OHE to annually notify institutions of their estimated funding for these awards by November 1

§ 282 — PLAN FOR DOC HEALTH CARE SERVICES

Specifically requires DOC's plan for health care services to ensure that various requirements are met, rather than to include guidelines for implementing them; adds certain components to the plan, including (1) interviewing incarcerated people at intake about their mental health history and (2) providing evidence-based mental health services by a mental health provider or therapist, as needed, within two business days of a determination of need upon intake

§ 283 — DOC PALATABLE MEALS AND BAN ON NUTRALOAF

Requires the DOC commissioner to provide palatable and nutritious meals to people in department custody; bans nutraloaf or other diets as a form of discipline

§ 284 — MEDICAL RECORDS AUTHORIZATION FOR INCARCERATED INDIVIDUALS

Requires the DOC commissioner to ensure that everyone in the department's custody is given a form allowing them to authorize someone else to access their medical records that would otherwise be subject to nondisclosure under HIPAA

§ 285 — CORRECTIONAL CENTER RELOCATION STUDY

Requires the DAS and DOC commissioners to study the feasibility of relocating correctional centers in Bridgeport and New Haven

§ 286 — DOC STAFFING LEVELS AND RECRUITMENT

Requires the DOC commissioner to (1) ensure that the department's correctional facilities are sufficiently staffed to protect the safety of everyone at or visiting the facility and (2) develop and implement a program to recruit and retain correctional officers

§ 287 — DOCUMENTING ASSAULTS AGAINST CORRECTIONAL STAFF

Requires the DOC commissioner to develop a protocol to fully document assaults by incarcerated people against correctional staff

§§ 288 & 289 — REPORTS ON STRIP OR CAVITY SEARCHES

Requires DOC to annually report on strip and cavity searches in correctional institutions and report on an evaluation of related directives and procedures

§ 290 — CORRECTION OMBUDS ACCESSING MEDICAL RECORDS

Requires the correction ombuds, before accessing an incarcerated person's medical record, to give the person prior notice of the reasons for doing so

§§ 291-296 — SEX OFFENDER ADDRESS VERIFICATION

Extends the deadline for registered sex offenders to verify their address with DESPP, lowers the criminal penalty for a registrant's unintentional failure to do so, and makes related changes

§§ 297 & 298 — SOLAR PHOTOVOLTAIC FACILITY EMERGENCY PREPAREDNESS PROGRAM

Requires the DESPP commissioner to establish a solar photovoltaic facility emergency preparedness program; establishes an account to fund this program and specifies it must contain any federal reimbursements or grants related to the preparedness program

§§ 299 & 300 — CERTIFICATE OF NEED FOR HEALTH CARE ENTITIES

Expressly allows OHS, when reviewing CON applications for certain hospital ownership transfers that require a cost and market impact review, to consider the review's preliminary and final reports and other specified materials; modifies the definition of "termination of services" for CON purposes to include the termination of any services for a combined total of more than 180 days within a consecutive two-year period

§§ 301-311 — REPRODUCTIVE AND GENDER-AFFIRMING HEALTH CARE SERVICES

Subjects covered entities' business associates to existing law's disclosure limitations; requires the entities and business associates to notify the attorney general when they receive a subpoena

for certain patient information; specifies that gender-affirming health care services do not include conversion therapy for anyone under age 18

§ 312 —TRANSFER STATION PERMITS AND LICENSES

Establishes conditions under which the owner or operator of a specified transfer station may continue to operate and accept municipal solid waste, including recyclables, while its commercial transfer station permit application is pending before DEEP; requires that MIRA Dissolution Authority's transfer station permits and licenses be transferred to Essex and remain in effect when the transfer station's ownership or operation transfers from the MIRA Dissolution Authority to the town

§§ 313-316 — ABSENTEE VOTING PROCEDURES FOR ELIGIBLE INCARCERATED INDIVIDUALS

Creates specific procedures for incarcerated individuals to apply for, receive, and cast absentee ballots

§ 317 — ADDITIONAL EARLY VOTING LOCATIONS ON CERTAIN COLLEGE CAMPUSES

Requires municipalities with 1,000 or more students living on a college campus or institutional housing in the municipality to establish an additional early voting location on campus

§ 318 — SAME-DAY ELECTION REGISTRATION PROOF OF RESIDENTIAL ADDRESS

Allows same-day election registration applicants to prove their residential address through the sworn testimony of another elector

§§ 319 & 320 — CURBSIDE VOTING

Requires the designation of a specific curbside voting area at polling locations; restricts certain election-related activities from occurring within or nearby this area; requires the secretary of the state to adopt related regulations

§§ 321 & 322 — ELECTION-RELATED TRANSLATIONS

Establishes the Translation Advisory Committee to evaluate translated municipal election-related materials and sets membership and eligibility requirements

§ 323 — CHANGES TO ECS GRANT PHASE-IN SCHEDULE

Delays by two years the start of an ECS schedule to phase-in grant reductions for overfunded towns; holds these towns harmless for FYs 26 and 27

§ 324 — LOCAL FOOD FOR SCHOOLS INCENTIVE PROGRAM (LFSIP) CHANGES

Makes various changes to LFSIP, including expanding the program to child care providers, making SDE the lead administering agency, and creating preferences for historically underserved farmers

§ 325 — RETIRED TEACHERS' HEALTH INSURANCE

Reduces the state's share of TRB retired teacher health insurance costs for FY 26

§§ 326-330 — REQUIREMENT TO PROPORTIONATELY REDUCE SPECIFIED EDUCATION GRANTS

Extends the requirement that certain education grants be proportionately reduced if the amount appropriated for them does not fully fund them according to their statutory formulas

§§ 331 & 332 — CHOICE PROGRAM GRANTS FOR MAGNET SCHOOLS AND VO-AG CENTERS

Makes permanent the choice program grants for interdistrict magnet schools and vo-ag centers, which are set to expire at the end of FY 25; adds a new method to determine FY 24 grants for newly established magnet schools that begin operating on or after July 1, 2024

§ 333 — ADVANCED AND DUAL CREDIT COURSES

Charges SDE with administering funds for two programs to support advanced and dual credit courses and programs within available appropriations

§ 334 — REMOVAL OF GENERAL ADMINISTRATIVE PAYMENT FOR CERTAIN BIRTH-TO-THREE PROVIDERS

Eliminates the requirement for OEC to pay certain Birth-to-Three early intervention service providers a general administrative payment for each child with an IFSP

§ 335 — ELIMINATION OF OEC BEING UNDER SDE

Eliminates the provision placing OEC under SDE, conforming to current practice

§ 336 —MAGNET SCHOOL TRANSPORTATION GRANTS

Changes the (1) calculation for certain Sheff magnet school transportation grants by eliminating the per-pupil calculation and the supplemental grants structure, instead basing the grants on actual costs of transportation services and (2) payment schedule for all magnet school transportation grants

§ 337 — EARLY START AND OEC GRANTS FOR FACILITY REPAIRS

Modifies the eligible programs for which OEC can use bond funding for certain facility-related grants by adding Early Start CT and removing Even Start; increases the maximum grant amount from $75,000 to $100,000 per classroom

§ 338 — ALLIANCE DISTRICT PROGRAM AND ENFIELD BASE YEAR

Changes the base year used to determine how much of Enfield's ECS grant is withheld under the alliance district program

§ 339 — LEARNER ENGAGEMENT AND ATTENDANCE PROGRAM

Requires SDE, starting in FY 27, to administer LEAP and give school boards grants to implement a home visitation program to reduce chronic absenteeism in the school district

§ 340 — HIGH-DOSAGE TUTORING MATCHING GRANT PROGRAM

Requires SDE to establish a competitive high-dosage tutoring matching grant program to award two-year grants to programs that provide high-dosage tutoring

§ 341 — SPECIAL EDUCATION GRANT PROPORTIONAL REDUCTION

Extends the provision requiring grants to be reduced proportionally for all fiscal years, rather than only FY 26

§§ 342-344 — MAGNET SCHOOL TUITION CHARGES

Sets a new method for determining tuition rates for magnet school programs that began operating on or after July 1, 2024, based on average tuition charged in the same region

§§ 345-347 — SCHOOL AND PUBLIC LIBRARY POLICIES

Requires school boards and public library governing bodies to adopt policies on collection development and maintenance, displays and programs, and material review; specifies criteria the policies they must meet

§ 348 — STATE SUPPLEMENT PROGRAM (SSP)
Freezes SSP payment standards for FYs 26 and 27

§§ 349 & 350 — CASH ASSISTANCE ELIGIBILITY FOR DOMESTIC VIOLENCE VICTIMS
Eliminates separate eligibility requirements for domestic violence victims to receive TFA diversion assistance or similar payments under SAGA

§ 351 — OBESITY TREATMENT PRIOR AUTHORIZATION AND STEP THERAPY
Allows, rather than requires, DSS to cover obesity treatment in Medicaid and CHIP; requires prior authorization, and step therapy in some circumstances, for Medicaid coverage of prescription drug obesity treatment

§§ 352 & 353 — GLP-1 DATA COLLECTION
Requires the DSS commissioner and comptroller to collect data on the use of GLP-1 drugs in the Medicaid program and state employee health plan, respectively

§§ 354-359 — NURSING HOME MEDICAID RATES
Prohibits DSS from rebasing nursing home costs in FY 26; eliminates inflation adjustments for nursing homes in FYs 26 and 27; requires DSS to (1) amend the Medicaid state plan to extend the case mix neutrality limit as needed to remain within available appropriations; (2) increase nursing home reimbursement rates to support wage increases for employees, within available appropriations, in FYs 25-27; and (3) distribute supplemental funding in FYs 27 and 28 appropriated to promote workforce retention and high employee health and retirement security standards in long-term care facilities

§ 360 — ICF-IDS RATES
Requires DSS to increase reimbursement rates for ICF-IDs for FYs 26-28; allows certain facilities to receive fair rent increases and rate increases for specified capital improvements in FYs 26 and 27; requires DSS to amend its regulations to remove current inflation cost limits on facility rates starting July 1, 2027

§ 361 — RESIDENTIAL CARE HOME RATES
Allows DSS to give RCHs a rate increase in FYs 26 and 27, within available appropriations, for certain capital costs; allows pro rata fair rent increases in these years at the department's discretion and within available appropriations

§ 362 — HEALTH SYSTEMS PLANNING UNIT STUDY
Specifies that the Health Systems Planning Unit must conduct its biennial study of health care facility utilization within available appropriations

§ 363 — DRIVER TRAINING AND EVALUATION FOR PEOPLE WITH DISABILITIES
Transfers, from ADS to DMV, a unit responsible for people with disabilities' driver training and evaluation

§ 364 — MEDICAID RATES REVIEW
Requires DSS to create a five-year process to regularly review Medicaid reimbursement rates; allows DSS, in consultation with OPM, to increase and rebase rates as the commissioner determines necessary and to the extent funds are available to do so at the end of each review year

§ 365 — MAPOC CHAIRS

Appoints the Human Services and Public Health committees' chairs as MAPOC's chairs

§ 366 — MEDICAID COVERAGE FOR BREAST PROSTHESES

Requires the DSS commissioner to distribute information on Medicaid coverage for breast prostheses

§§ 367 & 368 – ASSISTANCE PROGRAM ELIGIBILITY INCOME DISREGARDS

Requires the DSS commissioner to disregard income a person receives from participating in certain DSS-approved pilot programs and job training programs when determining TFA eligibility; requires the commissioner to disregard income from rental assistance pilot programs when determining eligibility for DSS-administered assistance programs

§ 369 — SCHOOL-BASED HEALTH CLINIC BILLING

Requires the Transforming Children's Behavioral Health Policy and Planning Committee to develop a framework and operational guidelines to streamline municipal Medicaid billing for Medicaid-eligible school-based behavioral health services

§§ 370-372 — IDENTIFIED PRESCRIPTION DRUGS

Caps the price for the sale of identified prescription drugs in the state; generally imposes a civil penalty on pharmaceutical manufacturers and wholesale distributors who violate the cap and requires the DRS commissioner to impose and collect it; and creates a process for penalty disputes

§§ 373 & 374 — APPEALS PROCESS FOR DSS RATES AND AUDITS

Allows parties to appeal any items not resolved at a rehearing on payment rates to the Superior Court, as authorized under the UAPA, rather than requiring binding arbitration

§§ 375-377 — FEDERALLY QUALIFIED HEALTH CENTERS (FQHC)

Requires DSS to provide an alternative, updated prospective payment methodology and changes procedures for approving changes to an FQHC's scope of service

§ 378 — NET OPERATING LOSS DEDUCTION FOR CERTAIN COMBINED GROUPS

Eliminates an alternative NOL rule that currently applies to certain combined groups that had more than $6 billion in NOLs from pre-2013 tax years, which subjects them to the standard NOL carry forward limitation applicable to other corporations

§ 379 — CAP ON A COMBINED GROUP'S TAX LIABILITY ON A UNITARY BASIS

Eliminates the $2.5 million cap on the amount a combined group's tax, calculated on a combined unitary basis, can exceed the tax it would have paid on a separate basis

§ 380 — RELIEF FROM INTEREST ON ESTIMATED TAX UNDERPAYMENTS

Exempts corporation business taxpayers from interest on estimated tax because of specified tax changes under the bill

§§ 381 & 382 — CORPORATION BUSINESS TAX SURCHARGE

Extends the 10% corporation business tax surcharge for three additional years, to the 2026 through 2028 income years

§ 383 — REFUND VALUE OF R&D AND R&E CREDITS FOR QUALIFYING SMALL BIOTECHNOLOGY COMPANIES

Increases, from 65% to 90%, the cash refund a qualifying small biotechnology company may receive for its unused R&D and R&E tax credits

§§ 384, 386, 388 & 389 — TAX ON NURSING HOMES AND INTERMEDIATE CARE FACILITIES

Terminates the quarterly user fee on nursing homes and ICFs as of July 1, 2026, and instead imposes a quarterly 6% tax on their revenue; requires the tax to cease and the user fees to be reimposed if CMS determines that the tax is impermissible

§§ 385 & 386 — HOSPITAL PROVIDER TAX

Beginning in FY 27, requires the base year on which the hospital provider tax is calculated to be tied to an applicable federal fiscal year, rather than FY 16, and makes various corresponding changes; increases, by $375 million, the total revenue on which the tax on outpatient hospital services is calculated and requires the starting amount used to calculate the tax in later years to be increased by $25 million over the prior fiscal year; requires the DSS commissioner to seek approval from CMS to remove the exemption for children's general hospitals; makes other administrative changes to the tax

§ 387 — HOSPITAL MEDICAID SUPPLEMENTAL PAYMENTS

Increases Medicaid supplemental payments to hospitals by $140 million for FY 27 and requires this total to be increased in subsequent years by $25 million over the preceding year if the total amount of hospital provider tax collected for that year increased by $25 million over the preceding year

§§ 390 & 391 — TAX REVENUE ACCRUAL

Authorizes the state comptroller to record revenue from the tobacco products and controlling interest transfer taxes received within five business days after July 31 as revenue for the preceding fiscal year

§ 392 — CONNECTICUT ITINERANT VENDORS GUARANTY FUND

Transfers the Connecticut Itinerant Vendors Guaranty Fund's remaining balance to the General Fund

§ 393 — SALES AND USE TAX EXEMPTION FOR AMBULANCES

Exempts certain ambulances and ambulance-type vehicles from sales and use tax

§ 394 — SALES TAX EXEMPTION FOR CERTAIN AIRCRAFT INDUSTRY JOINT VENTURES

Extends, from 40 to 50 consecutive years, the duration of the sales and use tax exemption for qualifying aircraft industry joint ventures

§ 395 — DUES TAX EXEMPTION

Increases the threshold for exempting annual dues and initiation fees from the state's 10% dues tax from $100 to $250

§ 396 — EARNED INCOME TAX CREDIT INCREASE

Increases the state EITC by $250 for taxpayers with at least one qualifying child

§ 397 — INCOME TAX CREDIT FOR FAMILY CHILD CARE HOME OWNERS

Establishes a refundable income tax credit for taxpayers who own a state-licensed family child care home

§ 398 — FARM INVESTMENT TAX CREDIT

Creates a refundable business tax credit for farmers' investments in eligible machinery, equipment, and buildings equal to 20% of the amount spent or incurred on the eligible property

§ 399 — CHET CONTRIBUTION TAX CREDIT

Establishes a new business tax credit for employer contributions to a qualifying employee's CHET account

§§ 400-408 — CHET PROGRAM CHANGES

Makes various changes to the CHET program statutes, primarily to (1) align the program's statutes with federal law and current practice, (2) explicitly allow CHET account owners to make federally tax-exempt rollover distributions from their CHET accounts, (3) explicitly authorize the treasurer to retain investment advisors to make CHET trust fund investments on his behalf, (4) eliminate the statutory framework for the CHET Baby Scholars Fund program and its related account, and (5) eliminate the ability for taxpayers to contribute any portion of their state income tax refund to the Baby Scholars Fund and instead allow them to contribute their refunds to the Connecticut Baby Bonds Trust

§§ 409 & 410 — UCONN TAX CREDIT INCENTIVE PROGRAM

Authorizes UConn to set up and administer a tax credit incentive program to promote and publicly recognize the university and its programs, services, and mission; creates a 50% tax credit for payments made to UConn according to qualified agreements under this program; caps the total credits allowed for each calendar year at $5 million and for each taxpayer at $500,000 per tax or income year

§ 411 — VOLATILITY CAP THRESHOLD

Sets the volatility cap threshold at $4,079.3 million for FY 25 and $4,728.6 million for FY 26; requires the cap to be adjusted for inflation for FY 27 and after

§ 412 — DRS TAX GAP REPORT

Extends the deadline for DRS to submit its next tax gap report by one year and requires the agency to submit future reports every two years rather than annually

§ 413 — DRS TAX INCIDENCE REPORT

Limits, from every two years to every four years, the frequency with which DRS's tax incidence report must include incidence projections for the property tax and any other tax that generated $100 million or more in the fiscal year before the report's submission

§§ 414 & 415 — PAYING DOWN SPECIAL TRANSPORTATION FUND-SUPPORTED DEBT

Extends and makes permanent a change made in 2024 requiring that a portion of the STF's remaining balance at the end of the fiscal year be deemed appropriated to pay off STF-supported debt

§ 416 — SOURCING REVENUE TO MUNICIPALITIES

Requires the DRS commissioner to track and record the source of state sales and use, personal income, and corporation business tax revenue to accurately and fairly attribute the revenue from each of these taxes to municipalities

§ 417 — ADDITIONAL DEDUCTION FOR CERTAIN COMBINED GROUPS AFFECTED BY COMBINED REPORTING

Modifies the income year used to calculate a specific corporation business tax deduction for certain combined groups

§ 418 — LOCAL OPTION HOMESTEAD PROPERTY TAX EXEMPTION

Allows municipalities that adopt a local option homestead exemption to limit its eligibility by (1) capping the assessed value of qualifying dwellings, (2) requiring owners to have lived in the property for a specified period of time to qualify, or (3) implementing both

§ 419 — CIGARETTES

Modifies the definition of "cigarettes" under the state's cigarette tax and other laws to, among other things, explicitly include any roll, stick, or capsule of tobacco intended to be heated under ordinary conditions of use

§§ 420 & 421 — E-CIGARETTES

Imposes restrictions and penalties on e-cigarettes similar to those that apply to cigarettes under existing law; specifically requires e-cigarette sellers to ask prospective buyers to present a driver's license, passport, or ID card to verify that they are at least 21 years old and allows them to use electronic scanners to check a passport's validity, just as current law allows them to for driver's licenses and ID cards; increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor

§ 422 — PILOT PROGRAM TO COLLECT CERTAIN DELINQUENT STATE TAXES

Requires the OPM secretary and DRS commissioner to set up a pilot program to collect unpaid state taxes, penalties, and interest due from anyone receiving payments from a state agency

§ 423 — HOUSING TAX CREDIT CONTRIBUTION PROGRAM PROCEDURES

Eliminates the requirement that the DRS commissioner approve CHFA's written procedures to implement the Housing Tax Credit Contribution program

§§ 424 & 425 — ANNUAL ASSESSMENTS ON THE TRIBES

Shifts, from DRS to DCP, the responsibility for issuing annual assessments to the Mashantucket Pequot and Mohegan tribes

§ 426 — INCOME TAX WITHHOLDING FOR CERTAIN RETIREMENT INCOME DISTRIBUTIONS

Temporarily suspends the income tax withholding requirement on lump sum distributions from pensions, annuities, and other specified sources

§§ 427 & 428 — CONCENTRATED POVERTY CENSUS TRACTS

Expands the agencies and entities involved in developing a 10-year plan to reduce the levels of concentrated poverty in a designated concentrated poverty census tract; requires the DECD commissioner, by September 1, 2025, to submit an additional progress report to the legislature on the 10-year plan's development; eliminates a related working group

§§ 429 & 430 — BOTTLE BILL OVER-REDEMPTION REIMBURSEMENT GRANTS AND ENFORCEMENT FUNDING

Establishes the bottle bill escheats enforcement and assistance account, which must provide (1) funding to the State Police to enforce the ban on illegal bottle redemptions and (2) reimbursement grants to certain taxpayers; appropriates $2 million to the account for those purposes; authorizes the attorney general to enforce bottle bill provisions

§ 431 — NOISE MITIGATION AT TWEED-NEW HAVEN AIRPORT

Earmarks $1 million of the Connecticut airport and aviation account's funds each fiscal year for noise mitigation at Tweed-New Haven Airport

§ 432 — TELEPHONE AND TELECOMMUNICATION SUBSCRIBER FEE

Requires telephone and telecommunications companies to generally charge subscribers a five cent per month per service line fee to be deposited into the firefighters cancer relief account

§§ 433-435 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority to participate in a program that provides certain benefits to firefighters with cancer; makes conforming changes to align with changes made by PA 25-4

§§ 436-439 — CHANGES TO THE COMMUNITY INVESTMENT ACCOUNT

Renames the CIA the "Donald E. Williams, Jr. community investment account" and modifies the fee amounts and the allocation of the collected funds

§§ 440-458 — OCCUPATIONAL LICENSE OR CERTIFICATION FEES

Eliminates numerous occupational license or certification fees for health care professionals and educators

§ 459 — TAX EXEMPTION FOR PROPERTY LOCATED ON CERTAIN RESERVATION LANDS

Establishes a tax exemption for property located on reservation land that is held in trust for a federally recognized Indian tribe

§§ 460-467 — MIRA, CRDA, AND SOUTH MEADOWS SITE

Makes various changes related to the South Meadows site, which contains closed resource recovery and jet turbine facilities, to, among other things, (1) transfer MIRA-related property and powers to CRDA rather than DAS, (2) terminate MDA a year earlier than scheduled, and (3) specify the boundaries of a new South Meadows development district

§ 468 — CONNECTICUT PRECIOUS METALS WORKING GROUP

Creates a Connecticut Precious Metals Working Group to monitor the precious metals markets and related legislation in other states; requires the group to annually report its findings and recommendations to the General Assembly

§ 469 — SALES AND USE TAX EXEMPTION FOR PRECIOUS METALS AND RARE OR ANTIQUE COINS

Modifies the current sales and use tax exemption on certain sales of rare or antique coins, gold or silver bullion, and gold or silver legal tender

SUMMARY

A section-by-section analysis follows.

EFFECTIVE DATE: Various, see below

§§ 1-45 — BUDGET PROVISIONS

Please refer to the Fiscal Note for a summary of these sections

Please refer to the Fiscal Note for a summary of these sections.

§§ 46, 145 & 146 — UCONN HEALTH CENTER EMPLOYEE FRINGE BENEFITS

Eliminates a requirement that the comptroller (1) use up to $4.5 million of funds appropriated for State Comptroller-Fringe Benefits to fund a portion of the fringe benefits for UCHC employees and (2) enter into an MOU with UCHC for providing operational support

The bill eliminates a requirement that the comptroller each fiscal year use up to $4.5 million of the resources appropriated for State Comptroller-Fringe Benefits to fund the fringe benefit cost differential between the average rate for fringe benefits of private hospitals in the state and the fringe benefit rate for University of Connecticut Health Center (UCHC) employees. The "fringe benefit cost differential" is the difference between the (1) state fringe benefit rate calculated on UCHC payroll and (2) average member fringe benefit rate of all of Connecticut's acute care hospitals as contained in the annual reports submitted to the Office of Health Strategy's Health Systems Planning Unit as required by law.

The bill eliminates a requirement for the comptroller to enter a memorandum of understanding (MOU) with UCHC to provide operating support.

It also makes a technical change.

EFFECTIVE DATE: Upon passage, except a technical change is effective July 1, 2025.

§ 47 — TECHNICAL CORRECTIONS DURING CODIFICATION

Requires the Legislative Commissioners' Office to make necessary technical, grammatical, and punctuation changes when codifying the bill

The bill requires the Legislative Commissioners' Office to make technical, grammatical, and punctuation changes as necessary to codify the bill, including internal reference corrections.

EFFECTIVE DATE: Upon passage

§ 48 — AHEAD FEDERAL DEMONSTRATION PROGRAM

Requires DSS, within available appropriations, to develop a plan to implement alternative payment methods for hospitals voluntarily participating in the AHEAD federal

demonstration program; authorizes DSS to apply for a federal Medicaid waiver to implement these alternative payment methods

The bill requires the Department of Social Services (DSS) commissioner, within available appropriations, to develop a methodology and implementation plan for financing structures or alternative payment methodologies for hospitals under the Advancing All-Payer Health Equity Approaches and Development (AHEAD) federal demonstration program administered by the Centers for Medicare and Medicaid Services' (CMS) Center for Medicare and Medicaid Innovation. These financing structures and alternative payment methods must at least include a Medicaid global budget payment methodology for licensed acute care hospitals (including children's hospitals).

Under the bill, the commissioner must report by January 31, 2026, to the Appropriations, Human Services, and Public Health committees on the implementation plan and methodologies.

The bill authorizes the commissioner, at least 30 days after she submits the report, to apply to CMS for a Medicaid waiver to implement the financing structure or payment methodology she develops. If she implements them, they must apply to all licensed acute care hospitals that volunteer to participate in the AHEAD program. Generally, the finance structure or alternative payment methodology would replace the existing Medicaid fee-for-service payment method for participating hospitals and applies to all included service categories. (Nonparticipating hospitals continue with the Medicaid fee-for-service payment method.)

Under the bill, the financing structure or alternative payment methodology may include incentives or other enhanced payments for participating hospitals, to the extent these incentives or payments are within available resources dedicated to implementing the AHEAD payment model.

The bill prohibits state agencies from (1) requiring a licensed acute care hospital to participate in a financing structure or alternative payment methodology implemented under the AHEAD program, (2)

making such participation a condition of Medicaid reimbursement or certificate of need approval, or (3) imposing a penalty or reduction on a hospital that chooses not to participate in the finance structure or alternative payment methodology.

EFFECTIVE DATE: October 1, 2025

Background — AHEAD Demonstration Program

AHEAD is an 11-year federal demonstration program (from 2024 to 2034) administered by CMS. The program is a state total cost of care model under which Connecticut will assume responsibility for managing health care quality and costs across all payors (Medicaid, Medicare, and private insurers). The program's main components include the following: (1) voluntary hospital global budgets; (2) voluntary participation in Primary Care AHEAD, which gives primary care practices prospective, flexible, and enhanced payments to increase their capacity to provide advanced primary care services; and (3) a statewide health equity plan to help improve population health and reduce disparities in health care access and outcomes. Connecticut is in the program's second cohort, which begins operating in January 2027, after a 30-month implementation period from July 2024, through December 2026. CMS provides up to $12 million total per state for up to six years to support the program's implementation.

Background — Global Budget Payments

Under the AHEAD program, Connecticut will implement Medicare fee-for-service and Medicaid hospital global budgets that give participating hospitals a pre-determined, fixed annual budget for hospital inpatient and outpatient facility services. The budgets are calculated based on a review of previous years' Medicare and Medicaid payments and are adjusted for inflation and changes in populations served and services provided. Additionally, at least one private health insurer must participate in the program by 2028.

§ 49 — TREASURER CONTRACTS FOR TRUST FUND INVESTING SERVICES

Allows the treasurer, under certain conditions, to award contracts related to investing state trust funds sooner than 45 days after recommending them to the Investment

Advisory Council; requires the treasurer to establish procurement procedures for awarding these contracts

By law, the state treasurer cannot award a contract related to investing state trust funds until the Investment Advisory Council reviews the treasurer's recommendation for it. Under current law, the council may file a written review of the recommendation within 45 days after a meeting in which the treasurer notifies the council about the recommendation, and the treasurer can award the contract after that 45-day period. The bill allows the treasurer to award the contract sooner by allowing him to do so once (1) he receives the council's written review or (2) the council notifies him that it does not intend to submit a written review.

The bill also requires the treasurer to establish procurement procedures for awarding these contracts, according to the state investment policy statement's standards, that (1) foster impartial and comprehensive evaluations of potential providers and (2) encourage the selection of the most responsible provider who can provide the best value to the state. Under the bill, these contracts cannot be considered a (1) personal service agreement under the law that generally governs state contracting for personal service agreements or (2) contract for contractual services under the law that generally governs state purchases.

EFFECTIVE DATE: Upon passage

§§ 50-53 — COMPENSATION FOR JUDGES AND CERTAIN OTHER STATE OFFICIALS

Increases the salary and other compensation for judges and certain other judicial officials by approximately 3.5% starting in FY 26; correspondingly increases the salary of certain other state officials whose salary, by law, is tied to that of judges

Starting on July 1, 2025, the bill increases the following by approximately 3.5%: (1) salaries for judges, family support magistrates, family support referees, and judge trial referees; (2) additional amounts that certain judges receive for performing administrative duties; and (3) salaries of certain officials whose compensation, by law, is determined in relation to the salary of the chief justice or a Superior Court judge or a state referee's per-diem rate (including, starting with the next term for

these offices, the governor and other constitutional officers).

The bill also makes technical changes, including removing obsolete language.

EFFECTIVE DATE: July 1, 2025

Judicial Salaries

The table below shows the bill's changes to judicial salaries starting in FY 26.

Table: Judicial Salaries

Position	*Current Salary*	*Salary Under the Bill Starting July 1, 2025*
Supreme Court chief justice	$240,518	$248,936
Chief court administrator (if a judge)	231,121	239,210
Supreme Court associate judge	222,545	230,334
Appellate Court chief judge	220,084	227,786
Appellate Court judge	209,046	216,336
Deputy chief court administrator (if a Superior Court judge)	205,199	212,381
Superior Court judge	201,023	208,059
Chief family support magistrate	174,976	181,101
Family support magistrate	166,533	172,361
Family support referee	260/day*	269/day*
Judge trial referee	302/day*	312/day*

*Plus expenses, mileage, and retirement pay

As under existing law, judges with at least 10 years of judicial or other state service also receive semi-annual longevity payments equal to a specified percentage of their annual salary.

Administrative Judges

The law provides judges with extra compensation for taking on certain administrative duties. The bill increases these annual payments, which are in addition to the judges' annual salaries, from $1,371 to $1,419 starting on July 1, 2025.

The judges who receive this additional amount are (1) the appellate system's administrative judge; (2) each judicial district's administrative judge; and (3) each chief administrative judge for (a) facilities, administrative appeals, the judicial marshal service, or judge trial referees, and (b) the Superior Court's family, juvenile, criminal, or civil divisions.

Related Increases

The bill's provisions result in salary, rate, or maximum compensation increases for other officials or judges whose compensation is tied to those of judges or judge trial referees. Specifically:

1. the salaries of workers' compensation administrative law judges vary depending on service time and are tied to those of Superior Court judges (CGS § 31-277),

2. the salaries of probate court judges vary depending on probate district classification and range from 45% to 75% of a Superior Court judge's salary (CGS § 45a-95a),

3. senior judges receive the same per-diem rates as state referees (CGS §§ 51-47b(a) & 52-434b),

4. the probate court administrator's salary is the same as that of a Superior Court judge (CGS § 45a-75), and

5. the maximum compensation a retired judge may receive is equal to the highest annual salary during the fiscal year for the judicial office the judge held at retirement (CGS § 51-47b(b)).

Additionally, existing law generally makes the (1) governor's salary equal to the salary for the Connecticut Supreme Court chief justice and (2) lieutenant governor's, secretary of the state's, state treasurer's, state comptroller's, and state attorney general's equal to those for Superior Court judges. For these six officials, the salary increase does not take effect until the start of the next term for that office (CGS §§ 3-2, -11, -77, -111 & -124).

§ 54 — PORT AUTHORITY BOARD ANNUAL REPORT

Eliminates the requirement that DAS and OPM jointly review and comment on a CPA annual report before its submission to the governor and Transportation Committee

By law, the Connecticut Port Authority (CPA) board of directors must annually submit a report to the governor and Transportation Committee on various topics (e.g., CPA projects, finances, and legislative recommendations). The bill eliminates the requirement that the Department of Administrative Services (DAS) and Office of Policy and Management (OPM) jointly review and comment on the report before CPA submits it.

EFFECTIVE DATE: Upon passage

§ 55 — YOUTH DEVELOPMENT ORGANIZATION TAX CREDIT

Limits the donations that qualify for the youth development organization tax credit to those made to eligible nonprofits in Connecticut

The bill limits the donations that qualify for the youth development organization tax credit to those made to eligible organizations in Connecticut. Under current law, donations made to any eligible nonprofit, regardless of where it is located, qualify for the credit.

Existing law establishes the tax credit for the 2024 and 2025 income and tax years for cash contributions individuals and businesses make to eligible youth development organizations to fund programs like afterschool tutoring, mentoring, and workforce preparedness training. The credit may be applied against the corporation business or personal income tax, but not the withholding tax. It equals 50% of the qualifying contribution, up to a maximum credit amount of $100,000 per income year for corporation business taxpayers or $20,000 per tax year for personal income taxpayers. Total credits under the program are capped at $2.5 million per fiscal year.

EFFECTIVE DATE: Upon passage, and applicable to applications filed on or after that date.

§§ 56-58 — ANNUAL DISTRIBUTION OF SPECIAL LICENSE PLATE-RELATED FEES

Requires the OPM secretary to distribute the funds from three special license plate-related accounts annually, rather than quarterly as under current law

State law establishes special license plates commemorating people, organizations, and causes in a number of different categories. These plates bear distinct designs or logos and typically carry fees that apply in addition to the standard fees for registering vehicles. In most cases, the law directs these additional fees to separate, nonlapsing General Fund accounts to be used for specified purposes related to the cause displayed on the license plate.

The bill requires the OPM secretary to distribute the funds from three of these accounts annually, rather than quarterly as under current law (see table below).

Table: Special License Plate Accounts Impacted by Bill

Commemorative Account	*Entity Receiving Funds*	*OPM Distribution*
Olympic Spirit	U.S. Olympic Committee	Annual (quarterly under current law)
Support for the Nursing Profession	Connecticut Nurses Foundation	Annual (quarterly under current law)
Support Our Troops!	Support Our Troops, Inc.	Annual (quarterly under current law)

EFFECTIVE DATE: Upon passage

§§ 59 & 60 — R&D AND R&E TAX CREDITS FOR QUALIFYING LLC

Allows a single member LLC that meets specified employment and industry parameters to earn R&D and R&E credits and allows the LLC's corporate owner to claim the credits the LLC earned

The bill allows a single member limited liability company (LLC) that meets specified employment and industry parameters to earn research and development (R&D) and research and experimental expenditures (R&E) credits. To qualify for the tax credits, the LLC must (1) have over 3,000 employees in Connecticut and (2) be engaged in manufacturing, with expertise in mechatronics, alignment and sensor technology, and optical fabrication. If the LLC is disregarded as an entity separate from its owner for federal income tax purposes, the LLC's employee count includes its employees and those of its owner.

By law, R&D and R&E tax credits apply only against the corporation business tax (for which an LLC is not liable). Under the bill, if the

taxpayer earning the credit is a single member LLC that is disregarded as an entity separate from its owner, its owner may claim the credit if it is subject to the state corporation business tax. In doing so, the bill allows a corporation that is the sole owner of an LLC that meets the parameters described above and earns R&D and R&E tax credits to claim those credits against its tax liability.

EFFECTIVE DATE: Upon passage, and applicable to income years beginning on or after January 1, 2025.

Background — R&D and R&E Tax Credits

The R&D credit generally applies to R&D spending that a business incurs in the state to develop or improve a product and qualifying research payments it makes to nonprofit organizations (i.e. nonincremental R&D spending) (CGS § 12-217n). The potential credit amount generally ranges from 1% for spending up to $50 million to 6% for spending over $200 million, except for eligible small businesses and certain companies headquartered in an enterprise zone.

The law also allows a separate R&E tax credit that applies to R&D spending that a business incurs in Connecticut that exceeds the amount it spent during the preceding income year (i.e. incremental R&D spending) (CGS § 12-217j). Eligible businesses receive a credit equal to 20% of their incremental R&D spending.

By law, qualified small businesses that earn R&D and R&E tax credits for R&D expenditures but cannot use them because they have no corporation business tax liability may receive a cash refund for 65% of the credit amount. A qualified small business is a company whose gross income for the prior year is $70 million or less, including income from transactions with related entities. The refund is capped at $1.5 million per company for each income year, and a qualified small business may carry its unused credits forward instead of applying for a cash refund.

§§ 61 & 62 — ATTORNEY GENERAL DEFENSE OF STATE EMPLOYEES

Allows the AG, under certain conditions, to defend state employees as witnesses in criminal investigations, or in federal criminal investigations or prosecutions, related to performing their job duties

Witnesses in Criminal Investigations

The bill allows the attorney general (AG) to provide for the defense of any state employee, officer, or member of the Public Defender Services Commission (collectively referred to as state employees below) if they participate as a witness in a criminal investigation and their status as a witness arose from discharging their duties or in the scope of their employment. In addition, the AG must determine, based on his investigation of the case's facts and circumstances, that the state employee is not a target, subject, or person of interest in the investigation or proceeding at the time of the request.

If the AG determines that there is a conflict of interest between the employee seeking representation and the state's broader legal interests, the bill requires him to promptly notify the employee and advise whether or not the use of outside counsel at the state's expense will be authorized.

The bill specifies that this representation is strictly limited to matters arising from the employee's status as a witness or their official duties, and does not extend to personal legal matters or unrelated conduct.

It also requires the AG to periodically confirm the employee's status as a witness and ensure compliance with the terms of representation. If the employee becomes a target, subject, or person of interest, or is subsequently indicted or arrested, the AG must determine whether, in his discretion, representation must end and then the employee must be promptly notified about the determination.

Federal Criminal Investigations or Prosecutions

The bill also allows the AG to provide for the defense of any state employee in a federal criminal investigation or prosecution arising out of any alleged act, omission, or deprivation that occurred, or is alleged to have occurred, while the employee was discharging his or her duties or acting within the scope of employment. To do so, the relevant agency head or constitutional officer must request representation and the AG

must determine, in his discretion, that the (1) alleged act, omission, or deprivation was consistent with the employee's obligations under state law and the U.S. Constitution's Tenth Amendment and (2) legal basis for the investigation or prosecution is without merit.

EFFECTIVE DATE: July 1, 2025

§§ 63-70 — RESERVED SECTIONS

Reserved sections

§ 71 — CJPPD PRISON EDUCATION PROGRAMS

Requires OPM's CJPPD to develop and implement policies for postsecondary educational programs in correctional facilities

The bill expands the responsibilities of OPM's Criminal Justice Policy and Planning Division (CJPPD), which the law tasks with promoting an effective and cohesive criminal justice system. The bill does this by requiring CJPPD to develop and implement policies for statewide delivery of postsecondary educational programs in correctional facilities. It specifically requires CJPPD to have policies on federal Pell grants and prison education programs.

EFFECTIVE DATE: July 1, 2025

§§ 72-75 & 77 — REPEAL OF DIGITAL ANIMATION TAX CREDIT

Eliminates the digital animation tax credit and makes conforming changes

The bill eliminates the digital animation tax credit, which, under current law, is available for eligible companies with in-state studio facilities and 200 or more in-state employees that incur eligible production expenses and costs in Connecticut. Currently, the credit has the same three tiers as the film production tax credit (10% to 30%, based on eligible expenditures) and may be applied against the corporation business and insurance premiums taxes. Total annual credits are capped at $15 million. No credits have been issued under this program since 2016.

The bill also makes conforming changes.

EFFECTIVE DATE: Upon passage

§§ 76 & 77 — GAAP DEFICIT APPROPRIATIONS AND AMORTIZATION REQUIREMENTS

Eliminates provisions (1) related to the GAAP deficit bonds the state redeemed in 2023 and (2) requiring the state to amortize the negative balances that accumulated in state funds for FYs 13 and 14 before the state adopted GAAP in FY 14

In 2023, the state redeemed the outstanding bonds originally issued in 2013 to reduce the state's accumulated General Fund deficit, determined according to generally accepted accounting principles (GAAP). The bill eliminates related provisions that (1) automatically make a GAAP deficit appropriation for each year in which the GAAP deficit bonds are outstanding and (2) among other things, promise bondholders that the state will not reduce this GAAP deficit appropriation until the bonds are paid in full, except under limited circumstances. It also eliminates provisions requiring the state to amortize the negative balances that accumulated in state funds for FYs 13 and 14 before the state adopted GAAP in FY 14.

EFFECTIVE DATE: Upon passage

§ 77 — REPEAL OF CONNECTICUT NEW OPPORTUNITIES FUND

Repeals the law requiring CI to establish the Connecticut New Opportunities Fund to invest in seed stage and emerging growth companies in the state

The bill repeals the law requiring Connecticut Innovations, Inc. (CI) to establish the Connecticut New Opportunities Fund to invest in seed stage and emerging growth companies in the state. The fund was enacted in 2005 but never established.

Current law (1) specifies how CI may structure the fund, invest its assets, and liquidate its returns; (2) allows the fund to receive investments from pension funds, foundations, and other private entities; and (3) sets the fund's term at 10 years, with extensions allowed if CI needs more time to liquidate the fund's assets. It allows investors to receive a return on their investments when the fund liquidates its investments plus 80% of the fund's net realized gains. The fund manager and the state split the remaining net gains equally.

EFFECTIVE DATE: Upon passage

§ 78 — FINISH LINE SCHOLARS PROGRAM

Requires BOR to establish a finish line scholars program awarding grants to students who received a Mary Ann Handley program award and then enroll in a bachelor's program at Charter Oak State College or CSCU

The bill requires the Board of Regents for Higher Education (BOR) to establish a finish line scholars program awarding grants (within available appropriations) to students who received a Mary Ann Handley program award and then enroll in a bachelor's program at Charter Oak State College or the Connecticut State Colleges and Universities (CSCU).

Under this program, which must begin with the fall 2026 semester, award amounts must be the same as under the Mary Ann Handley program (see *Background — Mary Ann Handley Award*). This means that eligible students receive a grant equal to the greater of (1) the unpaid portion of a student's eligible institutional costs (tuition and required fees) after subtracting the student's financial aid, or (2) a minimum award of $500 for a full-time student or $300 for a part-time student. The award cannot be used to replace a student's financial aid (which under the bill does not include federal, state, or private student loans). The award must be available until an eligible student earns, after enrolling at Charter Oak State College or CSCU, (1) 72 credits or (2) a bachelor's degree, whichever comes first.

BOR must create the program's rules, procedures, and forms and report on them to the Higher Education and Employment Advancement Committee. (The bill does not specify a deadline.)

The bill also requires BOR to submit a report by November 1, 2026, March 1, 2027, and each following semester, to the Appropriations and Higher Education and Employment Advancement committees. As described below, this report must include information on participation and degree completion rates, among other things.

EFFECTIVE DATE: July 1, 2025

Eligibility for New Program

The bill's finish line scholars program is substantially similar to the Mary Ann Handley program, except it serves students who leave CT

State and enroll at Charter Oak State College or CSCU. Under the bill, to be eligible for the program, students must:

1. have participated in, and earned at least 60 credits through the Mary Ann Handley program at CT State;

2. enroll part- or full-time in a bachelor's degree-seeking program, in a fall or spring semester, at either a four-year institution within CSCU or Charter Oak State College;

3. qualify as in-state students;

4. have made satisfactory academic progress while enrolled at CT State and continue to make satisfactory academic progress while enrolled at CSCU or Charter Oak State College;

5. have completed the Free Application for Federal Student Aid (FAFSA); and

6. have accepted all available financial aid other than loans (i.e. scholarships, grants, and federal, state, and institutional aid).

Required Semesterly Reporting

Under the bill, the report due November 1, 2026, March 1, 2027, and each following semester must include the following information about program participants and awards:

1. the number of students (a) enrolled during each semester; (b) receiving minimum awards; and (c) receiving awards for the unpaid portion of eligible institutional costs, as well the average amount of those awards;

2. the average number of credit hours students (a) enrolled in each semester and (b) completed each semester; and

3. degree completion rates by subject area.

Background — Mary Ann Handley Award

In 2019, the legislature required BOR to establish a tuition-free

community college program, which is known as the Mary Ann Handley Award (formerly known as PACT). It is offered to certain high school graduates (or transition program students) who enroll as part- or full-time CT State students. Award eligibility depends on a student's enrollment status, in-state student classification, and academic progress during matriculation.

By law, the program gives eligible students awards that are the greater of:

1. the unpaid portion of the tuition and required fees (i.e. tuition and fees after non-loan financial aid is applied) or

2. a minimum $500 grant for full-time students or $300 grant for part-time students.

Provided on a semester basis, the awards must apply to the first 72 credit hours earned by a student in a community college degree-granting or certificate program (CGS § 10a-174).

§ 79 — PROJECT LONGEVITY INITIATIVE

Removes Norwich from the list of cities in which the project longevity initiative must be implemented

By law, the "Project Longevity Initiative" is a comprehensive, community-based initiative to reduce gun violence in the state's municipalities. Current law requires its implementation in Bridgeport, Hartford, New Haven, New London, Norwich, and Waterbury. The bill removes Norwich from the initiative.

For the initiative, existing law, unchanged by the bill, requires the chief court administrator to:

1. consult with various state officials (e.g., chief state's attorney) and local stakeholders (e.g., clergy members, nonprofits, and community leaders) in implementing the initiative;

2. help municipal officials with planning and management; and

3. do anything necessary to apply for and accept federal funds

allotted or available to the state under any federal act or program.

EFFECTIVE DATE: July 1, 2025

§§ 80 & 81 — CLC PAYMENTS FOR DCP REGULATORY EXPENSES

Adjusts the process for CLC to pay DCP for its reasonable and necessary costs in overseeing the CLC's activities

The bill adjusts the process for the Connecticut Lottery Corporation (CLC) to pay the Department of Consumer Protection (DCP) for its reasonable and necessary costs for overseeing CLC's activities. Currently, OPM assesses CLC for these costs, and submits to CLC its assessment for the current fiscal year and a proposed assessment for the next fiscal year, based on the current year, by May 1 annually. The current fiscal year assessment is set by June 15 after receiving any objections from CLC and making any changes.

Beginning with FY 27, the bill instead requires OPM to:

1. submit its estimate of the current fiscal year assessment based on the prior fiscal year by August 1, and make adjustments if the prior fiscal year's estimated cost did not match its actual cost, and

2. set the assessment by September 15 after receiving any objections from CLC and making any changes.

Additionally, the bill requires CLC to pay these assessments in three installments (on October 1, January 1, and April 1), instead of four (on July 1, October 1, January 1, and April 1). It also requires CLC to make these payments to DCP, rather than paying OPM and having OPM give the money to DCP.

EFFECTIVE DATE: July 1, 2025

§ 82 — STATE PROPERTIES REVIEW BOARD REVIEW OF DAS CONSULTANT CONTRACTS

Increases, from $100,000 to $300,000, the value threshold of a DAS consultant contract or task letter that triggers a requirement for approval by the State Properties Review Board

Under current law, consultant contracts entered into by DAS for

projects under the state facility plan must be approved by the State Properties Review Board if they cost more than $100,000. The approval requirement also applies to all DAS on-call contracts and to task letters with values exceeding $100,000. The bill increases the value threshold triggering this requirement to $300,000, which matches the current threshold for higher education and Judicial Department projects. As under current law, the board has 30 days to approve or disapprove the contract or task letter, and it is deemed approved if the board does not act within this timeframe.

"Consultants" covered by the provision include, among others, licensed architects, professional engineers, landscape architects, land surveyors, accountants, interior designers, environmental professionals, and construction administrators. By law, three-member selection panels in DAS prepare a list of the most qualified consultants to perform "on-call" contracts, which are not connected to a specific project. DAS subsequently issues task letters to consultants with on-call contracts that identify a specific scope of services to be performed and the fee for those services.

EFFECTIVE DATE: July 1, 2025

§§ 83 & 84 — ADVERTISING DAS REAL ESTATE NEEDS

Requires certain DAS real estate notices to be posted online instead of through newspaper advertisements

Under current law, when a state agency or institution needs to lease at least 2,500 square feet of space, the DAS commissioner generally must advertise the space needs and specifications in a newspaper with substantial circulation in the area where the space is sought. The bill instead requires her to post notice about the space needs and specifications on the DAS website. It also makes conforming changes.

When the commissioner establishes plans and specifications for new construction on state land or new construction for sale to the state, and the requesting agency's space needs are less than 5,000 square feet, current law requires her, when practicable, to continue advertising in a newspaper as described above. The bill requires this advertising to

occur through a notice posted online (presumably, on the DAS website) instead of in a newspaper. As under current law, the notice must give third parties an equal opportunity to do business with the state regardless of their political affiliation, political contributions, or relationships with people in governmental positions.

EFFECTIVE DATE: July 1, 2025

§ 85 — DAS CONSTRUCTION SERVICES SELECTION PANELS

Increases the project value threshold, from $5 million to $7.5 million, that determines whether a construction services selection panel must have three or five members

The bill increases the value threshold, from $5 million to $7.5 million, that determines whether a DAS construction services selection panel must have three members (for projects valued below the threshold) or five members (for projects valued at or above the threshold). By law, DAS must establish a panel to evaluate proposals to provide consultant services if their estimated cost exceeds $750,000 (adjusted for inflation after July 1, 2024). Generally, a panel must review submitted proposals, select at least three firms that are most qualified to perform the required services, and submit a list of these firms to the DAS commissioner for her consideration.

EFFECTIVE DATE: July 1, 2025

§§ 86-91 — PROBATE COURT NOTICES SENT TO DAS

Removes requirements that DAS get various notices from probate courts, primarily related to conservatorships

The bill removes requirements that the DAS commissioner get the following notices in certain probate court proceedings:

1. copies of the petition and notice for a hearing to determine whether a conservator or guardian of someone supported by the state in a humane institution, or receiving state public assistance benefits, qualifies for additional compensation for extraordinary services (§ 86);

2. copies of the application to appoint a guardian of the estate of a minor under certain circumstances, if the application states that

the minor is receiving state aid (§ 87);

3. notice about a hearing to decide a petition for voluntary representation (a respondent's request to have a conservator appointed), if the respondent is receiving state aid or care (§ 88);

4. notice about a hearing to decide an application for involuntary representation (a third-party's request to have a conservator appointed for the respondent), if the respondent is receiving state aid or care (§ 89);

5. copies of applications to appoint a conservator of the estate or for an involuntary representation, if they state that the respondent is receiving state aid or care (§ 90); and

6. notice about a hearing to determine whether a conservator of the estate may make gifts or other transfers of income and principal from the conserved person's estate (§ 91).

EFFECTIVE DATE: January 1, 2026

§§ 92 & 93 — DAS REPEALERS

Repeals provisions related to certain DAS reporting requirements and personal protective equipment

The bill repeals requirements for:

1. DAS to report quarterly to the Finance, Revenue and Bonding and Government Administration and Elections committees on the status of the Office of the Chief Medical Examiner's facilities and the Greater Bridgeport Community Mental Health Center's parking garage (§ 92);

2. DAS to prepare of list of companies in the state that changed their business model to produce personal protective equipment (PPE) during the COVID-19 epidemic; and

3. state agencies buying PPE to make reasonable efforts to buy at least 25% of it from the companies on the DAS list (§ 93).

EFFECTIVE DATE: Upon passage

§§ 94 & 470 — MUNICIPAL VIDEO COMPETITION TRUST ACCOUNT

Repeals annual offsetting $5 million transfers between the municipal video competition trust account and the General Fund

The bill repeals the Municipal Video Competition Trust Account law. In doing so, the bill also repeals offsetting $5 million transfers (1) to the municipal video competition trust account from the General Fund (CGS § 16-331bb), and (2) from the municipal video competition trust account to the General Fund (CGS § 16-331hh).

This nonlapsing General Fund account is funded by up to $5 million annually in earnings from a tax on competitive video services, for the purpose of giving property tax relief to municipalities, based on their share of the number of competitive video services subscribers in the state. But another law requires $5 million to be annually transferred from the municipal video competition trust account to the General Fund.

Two different sections of the bill make identical changes, but the provisions have different effective dates and thus appear to conflict.

EFFECTIVE DATE: Upon passage for § 94 and July 1, 2025, for § 470.

§§ 95-97 — SMALL BUSINESS EXPRESS ASSISTANCE ACCOUNT

Allows DECD to use funds in the small business express assistance account for certain department duties related to supporting business growth

The bill (1) expands the permitted uses of money in the General Fund's small business express assistance account to include carrying out existing Department of Economic and Community Development (DECD) purposes related to business growth and development and (2) allows the DECD commissioner to make grants for them.

By law, examples of these purposes include supporting growth of start-up and growth stage businesses and providing the businesses and entrepreneurs with technical training and resources, promoting entrepreneur community building, and facilitating innovation and entrepreneurship at higher education institutions. For these purposes,

the law allows the commissioner to do things such as enter into contracts, audit funds, increase capital availability, provide specified financial aid and grants, and maintain data and information.

EFFECTIVE DATE: July 1, 2025

§§ 98-104 — OUTDATED AGENCY REPORTS REPEALED

Repeals certain outdated agency reports and related provisions and makes conforming changes; eliminates the requirement that the budget document present a list of budgeted agency programs and a supporting schedule of total agency expenditures

The bill repeals certain outdated agency reports and related provisions and makes conforming changes.

Agency Reports Repealed

The bill repeals various outdated reports. The affected reporting agencies are Department of Children and Families (DCF), Department of Correction (DOC), Department of Mental Health and Addiction Services (DMHAS), and Department of Social Services (DSS); joint bipartisan budgeted agencies; judicial branch's Court Support Services Division (CSSD); OPM, including CJPPD; and UConn Institute of Municipal and Regional Policy (IMRP).

The table below summarizes the repealed reports, including the reporting entities and the reports' recipients, content, and frequency.

Table: Repealed Agency Reports

Current Law				
Statute CGS §	***Reporting Agency***	***Report Recipient***	***Report Content***	***Report Frequency***
2-33b	Budgeted agencies	• OPM • Legislature	Performance-informed budget review	Biennially
2-36	OPM	• Governor • Comptroller • Legislature	List of appropriations accounts with potential deficiency and an explanation	Monthly
2-36b	OPM	• Legislature	Non-appropriated moneys held by each budgeted agency	Biennially
4-77	Budgeted agencies	• OFA	Non-appropriated moneys status report	Monthly

Current Law				
Statute CGS §	***Reporting Agency***	***Report Recipient***	***Report Content***	***Report Frequency***
4-68m	OPM (CJPPD)	• Legislature	Division program inventories and cost-benefit analyses	Annually
4-68s & 4-77c	• DCF • DOC • DMHAS • DSS • CSSD	• OPM • Legislature • OFA • UConn IMRP	Program inventory (evidence-based, research-based, promising, or lacking evidence)	Annually
4-85d	OPM	• Legislature	Estimated accounting of anticipated federal funds and a description of how the funds will be spent	Annually

Transfer of Funds to Implement Improvements to Fiscal and Related Reporting Procedures

The bill also repeals a provision that, under current law, allows funds to be transferred, upon the governor's recommendation and the Finance Advisory Committee's approval, to the various state agencies as required to implement improvements to the state's fiscal and related reporting procedures (CGS § 4-95b).

Recommended Appropriations

By law, the budget document must present in detail, for each fiscal year of the ensuing biennium, the governor's recommendation for appropriations to meet the state's expenditure needs from the General Fund and from all special and agency funds classified by budgeted agencies.

The bill eliminates current law's requirement that, for each budgeted agency and its subdivisions, the budget document must include a list of agency programs and a supporting schedule of total agency expenditures. Relatedly, the bill also eliminates current law's requirement that the program list be supported by (1) each program's statutory authorization, objectives, description, performance measures, and budget breakdown; (2) a summary of permanent full-time positions; (3) a statement of actual expenditures and estimated

expenditure requirements; and (4) an explanation of any significant program change requested or recommended (CGS § 4-73).

EFFECTIVE DATE: Upon passage

§ 105 — REPORT ON GRANT PROGRAM FOR CERTAIN LICENSED HEALTH CARE PROVIDERS WORKING AS ADJUNCT PROFESSORS

Requires OHE to also submit its annual report on a grant program for certain licensed health care providers who are adjunct professors to the Appropriations Committee

The bill requires the Office of Higher Education (OHE) to annually report to the Appropriations Committee, in addition to the Public Health Committee as currently required, on the program that provides $20,000 grants to certain licensed health care providers who work as adjunct professors at public higher education institutions for at least one academic year (they are also eligible for an additional $20,000 grant after at least two academic years of work).

By law, this report must include the number and demographics of those who applied for and received grants, the number and type of classes they taught, their employing institutions, and other information.

EFFECTIVE DATE: October 1, 2025

§ 106 — EXECUTIVE BRANCH DATA GOVERNANCE

Eliminates a requirement for the state CDO to annually report on ways to share executive branch high value data

The bill eliminates a requirement for the state's chief data officer (CDO) to annually report on ways to share executive branch high value data. By law, "high value data" is data that the department head determines:

1. is critical to an executive branch agency's operation;

2. can (a) increase executive branch agency accountability and responsiveness, (b) improve public knowledge about the agency and its operations, (c) further the agency's core mission, or (d) create economic opportunity;

3. is frequently requested by the public;

4. responds to a need and demand as identified by the agency through public consultation; or

5. is used to satisfy any legislative or other reporting requirements.

EFFECTIVE DATE: October 1, 2025

§ 107 — WORKFORCE HOUSING OPPORTUNITY DEVELOPMENT TAX CREDITS

Sets the workforce housing opportunity development program tax credit at 50% of eligible cash contributions, rather than an amount specified by the DOH commissioner as current law requires

Starting in the 2025 tax year, the law establishes a tax credit administered by the Department of Housing (DOH) for people and entities making cash contributions of at least $250 to eligible developers building or rehabilitating qualifying workforce housing opportunity development projects in federally designated opportunity zones. The bill sets this tax credit at 50% of eligible cash contributions, rather than an amount specified by the DOH commissioner as current law requires.

By law, the DOH commissioner must determine the program's eligibility criteria. The credit may be applied against the personal income tax or corporation business tax and total credits are capped at $5 million per fiscal year.

EFFECTIVE DATE: Upon passage, and applicable to income and tax years beginning on or after January 1, 2025.

§ 108 — USE OF BOND PREMIUMS

Delays by two years, from July 1, 2025, to July 1, 2027, the requirement that the state treasurer direct bond premiums on GO and credit revenue bond issuances to an account or fund to pay for previously authorized capital projects

The bill delays by two years, from July 1, 2025, to July 1, 2027, the requirement that the state treasurer direct bond premiums on state general obligation (GO) and credit revenue bond issuances to an account or fund to pay for previously authorized capital projects. (A bond premium is the extra, up-front payment investors make in

exchange for a higher interest rate on the bonds.)

Current law requires the treasurer to direct the bond premiums as follows:

1. until July 1, 2025, bond premiums (as well as accrued interest and net investment earnings on bond proceed investments) are directed into the General Fund after paying bond issuance costs and interest on state debt; and

2. beginning July 1, 2025, bond premiums, net of any original issue discount and after paying the issuance costs, are directed to an account or fund to pay for previously authorized capital projects.

The bill delays this requirement to July 1, 2027, requiring the treasurer to continue directing bond premiums to the General Fund (after paying bond issuance costs and interest on state debt) until then.

EFFECTIVE DATE: July 1, 2025

§§ 109-122 — CONNECTICUT MUNICIPAL DEVELOPMENT AUTHORITY

Effectuates the authority's name change; allows any municipality other than Hartford and East Hartford to work with the authority; makes it easier for municipalities to opt to work with the authority

The Municipal Redevelopment Authority (MRDA) is a quasi-public agency authorized to stimulate economic development and transit-oriented development. MRDA is now known as the Connecticut Municipal Development Authority (CMDA). The bill correspondingly makes changes to laws to effectuate the name change.

The bill allows additional municipalities to work with CMDA. Current law prohibits Hartford and municipalities in the Capital Region Development Authority (CRDA) capital region from becoming "member municipalities" or joining a "joint member entity." (The "capital region" encompasses seven municipalities that surround Hartford.) The bill relaxes this restriction and instead allows any municipality except Hartford and East Hartford to work with CMDA.

The bill also allows municipalities in which the legislative body is a town meeting to opt to work with the authority (as a member municipality or joint member entity) by vote of their board of selectmen, rather than the town meeting as current law requires. And it allows municipalities to opt to accept public comments on plans to work with MRDA instead of holding a public hearing on the subject as current law requires.

By law, municipalities working with CMDA must enter into an agreement with it to establish at least one development district near existing infrastructure, such as an existing or planned transit station. The bill broadens the definition of a qualifying "transit station" by eliminating a provision in current law that requires the station to be wholly within the boundaries of a member municipality or joint member entity's jurisdiction. Existing law, unchanged by the bill, prohibits a district from extending into a municipality that has not opted to work with the authority.

EFFECTIVE DATE: October 1, 2025

§§ 123 & 124 — PAYMENT FOR CERTAIN PRETRIAL PROGRAMS

Under certain conditions, generally requires a person's public or private insurance, rather than DMHAS, to cover the cost of substance use treatment under specified pretrial programs

The bill requires a person's insurance (specifically private, Medicaid, or Medicare), rather than DMHAS, to cover the costs of substance use treatment under the pretrial Drug Intervention and Community Service Program or pretrial Impaired Driving Intervention Program if the court finds the person is indigent and unable to pay. This applies as long as these costs are a covered benefit under the person's insurance. The bill continues to require DMHAS to pay other program-related treatment costs for these people, including out-of-pocket expenses, not covered by insurance.

EFFECTIVE DATE: July 1, 2025

§ 125 — OPIOID SETTLEMENT ADVISORY COMMITTEE

Adds two members to the Opioid Settlement Advisory Committee

The bill adds two members to the Opioid Settlement Advisory Committee by increasing, from 23 to 25, the number of municipal representatives the governor appoints. This increases the total membership from 51 to 53.

Existing law charges the committee with ensuring (1) that Opioid Settlement Fund moneys are allocated and spent on specified substance use disorder abatement purposes and (2) robust public involvement, accountability, and transparency in allocating and accounting for the fund's moneys.

EFFECTIVE DATE: Upon passage

§§ 126-130 — TELEHEALTH PRESCRIPTION OF OPIOIDS

Specifically allows opioids to be prescribed through telehealth as part of medication-assisted treatment or to treat a psychiatric disability or substance use disorder

The bill removes a current prohibition on telehealth providers' ability to prescribe schedule II or III opioids to treat a psychiatric disability or substance use disorder, including through medication-assisted treatment. This clarifies that medications such as methadone and buprenorphine may be prescribed through telehealth.

It also makes technical changes to the definition of opioid drug in various statutes.

EFFECTIVE DATE: Upon passage

§§ 131 & 132 — REFERRAL TO MFAC AND DESIGNATION AS TIER I

Narrowly changes the law's triggers for referral to MFAC and designation as Tier I

The bill expands the reasons why the OPM secretary must refer a municipality to the Municipal Finance Advisory Commission (MFAC) by requiring the secretary to do so if it (1) has been a distressed municipality for at least 15 consecutive years and (2) has a population of 15,001 to 19,999. (It appears that currently only Ansonia qualifies.) The bill also requires MFAC to designate a municipality meeting both criteria as a Tier I municipality for FYs 26 and 27, and makes a technical change.

EFFECTIVE DATE: July 1, 2025

§ 133 — DISTRICT PILOT GRANT REDIRECTED TO TOWN OF WINDHAM

Redirects certain PILOT grants for fire districts to Windham

The bill requires OPM to give any payment in lieu of taxes (PILOT) grant due to a fire district wholly within Windham's boundaries to the town.

EFFECTIVE DATE: July 1, 2025

§ 134 — MATERNITY CARE REPORT CARD

Requires the DPH commissioner to (1) establish an annual maternity care report card for birth centers and hospitals that provide obstetric care, (2) establish an advisory committee to establish the report card's contents, and (3) adjust the report card based on patient acuity levels

The bill requires the Department of Public Health (DPH) commissioner, starting July 1, 2026, to establish an annual maternity care report card that evaluates maternity care provided at birth centers and hospitals that provide obstetrics care.

When doing so, the commissioner must first establish an advisory committee to create the report card's quantitative metrics, qualitative measures, and assessment methodology. This methodology must reflect disparities in obstetrics care and outcomes across patient demographics using valid statistical principles and other widely accepted data science methods to ensure sufficient data. The commissioner must report to the Public Health Committee by February 1, 2026, on the advisory committee's quantitative metrics, qualitative measures, and assessment methodology.

The commissioner must also (1) post the report card on the DPH website annually, starting by January 1, 2027, and (2) revise the report card criteria at least once every three years in consultation with the advisory committee and, if she chooses, other experts.

EFFECTIVE DATE: Upon passage

Advisory Committee Membership

The bill requires the advisory committee's membership to include one member with HIPAA expertise and at least one representative each of the following:

1. an in-state hospital association;
2. an in-state physician medical society;
3. an obstetrician-gynecologist professional membership organization;
4. a Connecticut hospital with a significant percentage of high-risk births;
5. an independent Connecticut hospital that is not part of a multihospital health system;
6. birth centers; and
7. a Connecticut organization that promotes equity and addresses health disparities for vulnerable communities through research, advocacy, and culturally resonant services.

Report Card Contents and Scoring

Under the bill, the report card must include (1) quantitative metrics; (2) qualitative measures based on patient-reported experiences; and (3) if the advisory committee recommends it, an equity assessment of care patients received at each facility, disaggregated by race, ethnicity, and income level. The commissioner must identify and collect any available data needed to complete the report card.

The bill requires the commissioner to adjust the report card based on factors the advisory committee identified as well as obstetric patients' acuity level to ensure a fair comparison between facilities.

It also requires the report card to comply with HIPAA and the federal Centers for Medicare and Medicaid Services's (CMS) cell suppression policy (or a stricter policy) regarding publicly shared data. (This policy generally sets minimum thresholds for researchers to publicly display

CMS data.)

§§ 135 & 136 — CAPITAL REGION DEVELOPMENT AUTHORITY

Requires the CRDA board of directors to submit its annual report within the first 120, rather than the first 90, days of the fiscal year; exempts CRDA-owned or -leased land or improvements from local taxes and makes them eligible for PILOT grants

By law, the CRDA board of directors must submit an annual report on the authority's projects and financial activities to the governor; Auditors of Public Accounts; and Finance, Revenue and Bonding Committee. The bill requires the board of directors to submit this report within the first 120 days of CRDA's fiscal year, rather than within the first 90 days as required under current law.

The bill also exempts any land or improvements CRDA owns or leases from any taxes or assessments levied by any municipality, political subdivision, or special taxing district. Correspondingly, the bill deems these properties as state-owned properties for which, unless they are otherwise exempt from taxation, the state must make PILOT grants to the municipalities in which they are located.

EFFECTIVE DATE: July 1, 2025

§§ 137-144 — SOCIAL EQUITY AND INNOVATION ACCOUNT

Eliminates the Cannabis Social Equity and Innovation Fund and instead places the money from that fund into the social equity and innovation account, which is appropriated for different purposes

The bill eliminates the (1) Cannabis Social Equity and Innovation Fund and instead places the money that goes into the fund into the social equity and innovation account, including the remaining balance at the end of FY 25, and (2) Cannabis Regulatory and Investment Account. Under existing law, all money remaining in the Cannabis Regulatory and Investment Account was transferred to the General Fund at the end of FY 23.

Under current law, the money from the Cannabis Social Equity and Innovation Fund must be appropriated to provide (1) access to business capital, (2) technical assistance for business start-ups and operations, (3) workforce education, (4) community investments, and (5) payment of costs incurred to implement activities authorized under the Responsible

and Equitable Regulation of Adult-Use Cannabis Act.

Existing law and the bill require the OPM secretary to allocate the money in the social equity and innovation account for purposes the Social Equity Council solely determines to further the principles of equity (see *Background — Equity*). These purposes may include providing (1) access to capital for businesses; (2) technical assistance for business start-ups and operations; and (3) funds for workforce education, community investments, and investments in disproportionately impacted areas.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

Fund Transfers

The bill requires the following money that current law requires to be placed in the Cannabis Social Equity and Innovation Fund to instead go into the social equity and innovation account:

1. cannabis tax revenue,

2. the Social Equity and Innovation Fund's remaining balance at the end of FY 25,

3. the license conversion fees for a (a) dispensary facility to become a hybrid retailer and (b) producer to engage in the adult use cannabis market,

4. the provisional license application fee from certain social equity cultivators that received a license without going through a lottery or request for proposal and their conversion fee to be a micro-cultivator.

Record as Revenue

As under current law for the Cannabis Social Equity and Innovation Fund, at the end of each fiscal year cannabis tax is imposed, the bill allows the comptroller to record as revenue for the fiscal year the tax amounts the DRS commissioner received within five business days of

July 31 immediately following the end of the fiscal year.

Background — Equity

Existing law defines "equity" and "equitable" as efforts, regulations, policies, programs, standards, processes, and any other government functions or principles of law and governance intended to (1) identify and remedy past and present patterns of discrimination and disparities of race, ethnicity, gender, and sexual orientation; (2) ensure that these intentional or unintentional patterns are not reinforced or perpetuated; and (3) prevent the emergence and persistence of foreseeable future patterns of discrimination or disparities on these bases (CGS § 21a-420(25)).

§§ 147 & 148 — LAW ENFORCEMENT TRAINING

Requires DESPP, in consultation with POST, to establish a (1) social work and law enforcement project at SCSU and (2) crime scene processing, forensic evidence, and criminal investigations police training center at CCSU

Social Work and Law Enforcement Project

The bill requires the Department of Emergency Services and Public Protection (DESPP), in consultation with the Police Officer Standards and Training Council (POST), to establish a social work and law enforcement project. The project is intended to advance the ethical and effective integration of social work services into law enforcement units. It does so by preparing social workers, social work students, and law enforcement professionals to collaborate in the field of police social work.

The project must be located at Southern Connecticut State University (SCSU) and the objectives are to:

1. educate and train the social work and law enforcement workforce to collaborate by using a model that integrates police and social work;

2. increase community wellness through training, research, education, and policy advocacy on integrating police and social work;

3. strengthen the engagement among social workers, law enforcement officers, and community members; and

4. promote dialogue on diversity, disparities, and systemic racism in criminal and juvenile justice settings.

By January 1, 2026, the DESPP commissioner must enter into a memorandum of understanding (MOU) with SCSU to establish the project. The MOU must include a requirement that any use of funding for the project for a purpose other than providing training or education to a police officer requires the DESPP commissioner's written authorization.

Police Training Center

The bill also requires DESPP, in consultation with POST, to establish a police training center to train and educate police officers in crime scene processing, the collection and analysis of forensic evidence, and criminal investigations.

The training center must be located at Central Connecticut State University (CCSU), and by January 1, 2026, the DESPP commissioner must enter into an MOU with CCSU to establish the center. The MOU must include a requirement that any use of funding for the center for a purpose other than providing training or education to a police officer requires the DESPP commissioner's written authorization.

EFFECTIVE DATE: July 1, 2025

§ 149 — RESERVED SECTION

Reserved section

§ 150 — PLAN FOR INCLUSIVE EDUCATIONAL OPPORTUNITIES WITHIN THE CONNECTICUT STATE UNIVERSITY SYSTEM (CSUS)

Requires a plan for inclusive educational programs for students with intellectual or developmental disabilities at CSUS

The bill requires the Board of Regents for Higher Education (BOR), in consultation with the departments of Developmental Services, Education, and Social Services, to develop a plan for inclusive educational programs at universities within CSUS for students with

intellectual or developmental disabilities who are at least age 18.

The plan must include:

1. an admissions process without standardized college entrance aptitude tests, high school graduation, or minimum grade point averages;

2. a list of degree, certificate, or occupational credential programs or credit or noncredit courses at the universities that (a) are inclusive and open to all students and (b) students may enroll in based on their individualized education program or other assessment-based educational or career plan;

3. inclusive academic enrichment experiences, extracurricular activities, and employment and socialization opportunities;

4. individualized supports and services for students' unique academic, social, housing, and life skill needs, including peer mentors, assistive technology, or on-campus resource centers;

5. information or training for staff, faculty, and peers on educating and supporting students; and

6. required funding for these inclusive education programs, supports, and services and if it is available from financial aid, federal programs, nonprofit organizations, and other resources.

BOR must submit its plan to the Higher Education and Employment Advancement Committee by January 1, 2027.

EFFECTIVE DATE: July 1, 2025

§ 151 — UCONN HEALTH NEUROMODULATION CENTER

Requires the UConn Health Center to establish a Center of Excellence for Neuromodulation Treatments

The bill requires the UConn Health Center to establish a Center of Excellence for Neuromodulation Treatments. It allows the health center to collaborate with an in-state hospital to provide neuromodulation

treatments to patients at this center.

Under the bill, "neuromodulation" is the alteration of nerve activity through targeted delivery of a stimulus, including electrical stimulation or chemical agents, to specific neurological sites in the body. In practice, these treatments are used for various conditions, such as Parkinson's Disease and chronic pain.

EFFECTIVE DATE: Upon passage

§§ 152 & 153 — HIGHER EDUCATION CONSTITUENT UNITS AND ENERGY-SAVINGS PERFORMANCE CONTRACTS

Authorizes the constituent units to establish their own energy-savings performance contract process, rather than use DEEP's, but subject to many of the same requirements as DEEP's process

The bill allows a constituent unit of higher education to establish its own energy-savings performance contract process, rather than using the Department of Energy and Environmental Protection's (DEEP) standardized process, but subject to many of the same provisions required by law for DEEP's process. Currently, municipalities and state agencies (including constituent units of higher education) may participate in DEEP's process, but only municipalities are currently authorized to opt out and establish their own process.

Under existing law and the bill, an energy-savings performance contract is a contract entered into with a qualified energy service provider to evaluate, recommend, and implement energy savings measures (improvements that reduce energy or water consumption and operating costs and increase efficiency). The contract must (1) involve design and implementation of equipment, including operation and maintenance as applicable, and (2) guarantee annual savings that at least equal the annual contract payments made over the life of the contract.

It also allows units to direct any savings they realize toward contract payments and other required expenses, and to, when practicable, reinvest the savings, beyond the required payments and expenses, into other energy-saving measures.

Constituent Unit's Process

The bill permits the chief executive officer of a constituent unit or one of its institutions to enter an energy-savings performance contract according to the unit's process and purchasing guidelines established by the appropriate governing board. A unit's process must include, as existing law requires under DEEP's process, standard procedures and documents for these contracts, including requests for qualifications and proposals; investment grade audit contracts; project savings guarantees; and project financing agreements.

The bill specifies that it does not require a unit to use DEEP's process for these contracts if the unit has established its own process.

For units that enter these contracts under their own process, the bill allows the contract to extend for up to 30 years. Current law allows municipalities and state agencies to enter these contracts for up to 20 years.

Requests for Qualifications and Proposals

Like the requirements in existing law for DEEP's process, the bill requires a constituent unit's process to include:

1. a request for qualifications from companies that offer these services in order to make a list of qualified providers;

2. reviewing responses based on each provider's experience with different aspects of these contracts, including (a) ability to implement energy-savings performance contracts, (b) energy efficiency retrofits, (c) monitoring and reporting savings from projects, (d) project management, (e) access to long-term financing, (f) financial stability, (g) similar projects, (h) in-state subcontractors, and (i) other factors the unit determines are relevant and appropriate;

3. issuing a request for proposals from at least three qualified providers, which must include a cost feasibility analysis to be used for selecting a provider for final negotiations;

4. considering the following when selecting a provider: contract terms, proposal and cost saving comprehensiveness, financial stability, experience and quality of technical approach, and overall benefits to the constituent unit;

5. requiring selected providers to prepare investment-grade audits (which include a description of the recommended improvements, their estimated costs, and their projected utility and operations and maintenance cost savings) at a cost agreed to before completion, which become part of the contract and must include estimates of utility cost, operation, and maintenance savings increases and the costs of utility cost and energy saving measures, including design, engineering, equipment, materials, installation, maintenance, repairs, and debt service; and

6. awarding contracts to the provider that best meets the unit's needs, which is not required to be the lowest cost provider.

Policies

Similar to the requirements in existing law for DEEP's process, the bill allows the unit's governing board to adopt policies requiring review of cost savings projections by a licensed engineer with at least three years' experience in energy calculation and review who is not an officer or employee of the provider and not associated with the contract. The review focuses on proposed improvements, cost savings methodology and calculation, revenue increases, and metering equipment efficiency and accuracy. It must keep proprietary information confidential.

Contract Provisions

Similar to the existing requirements for DEEP's process, the bill allows:

1. guaranteed energy-savings performance contracts to include financing, including tax exempt financing, by a third party that is separate from the energy-savings performance contract;

2. a unit to use funds, bonds, lease purchase agreements, and master leases for these contracts if consistent with their purpose;

3. payments over time, except when a contract terminates before it ends;

4. generally, payments beyond the fiscal year the contract becomes effective for costs incurred in future years;

5. contracts that reflect the useful life of the cost saving measures;

6. contracts that allow payments over a period based on deadlines in the contract from the date of the final installation of the cost savings measures;

7. contracts that require reconciliation of amounts owed in a period over a year with final reconciliation before the contract ends, with contingency provisions if actual savings do not meet predicted savings; and

8. units to use savings from the contract for contract payments and other required expenses and additional energy-saving measures.

The bill also requires providers to (1) give constituent units an annual reconciliation of guaranteed energy cost savings, with the provider paying the unit any shortfall amount and any excess remaining with the unit and not used to cover shortages in prior or future years and (2) monitor reductions in energy consumption and costs due to the installed measures and at least annually report (according to the International Performance Measurement and Verification Protocol) to the unit on the measures' performance.

Modifications

Similar to the requirements in existing law for DEEP's process, the bill allows a unit and provider to modify savings calculations based on:

1. a material change to the energy consumption that was identified when the contract began;

2. a change in the number of days in the utility billing cycle, building square footage, facility operational schedule, or facility temperature;

3. a material change in the weather or amount of equipment or lighting at the facility; or

4. other changes reasonably expected to change energy use or costs.

Background — DEEP Energy-Savings Performance Contract Process

Municipalities and state agencies (including constituent units of higher education) may participate in DEEP's standardized energy-savings performance contract process, but only municipalities may opt to establish their own process.

The Department of Administrative Services compiles a list of qualified energy service providers and state agencies use a provider on this list for one of these contracts. Municipalities may use this list or create their own contractor qualification process.

A state agency or municipality must issue a request for proposals from at least three qualified providers, which must include a cost-effective feasibility analysis. Certain factors must be considered when selecting a provider and the selected provider must prepare an investment-grade audit that estimates costs and savings, which, if accepted, is part of the contract.

Among other things, the law requires annual reconciliations of the guaranteed energy cost savings and includes provisions on modifying savings calculations.

Background — Constituent Units of Higher Education

By law, the constituent units of higher education are the (1) University of Connecticut, including all its campuses, and (2) Connecticut State Colleges and Universities, including the state universities, regional community technical colleges, and Charter Oak State College.

EFFECTIVE DATE: July 1, 2025

§§ 154-156 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority to participate in a program that provides certain benefits to firefighters with cancer; makes conforming changes to align with changes made by PA 25-4

PA 25-4 makes various changes to a program that provides workers' compensation-like benefits to firefighters who have certain cancers and meet other criteria, including changes clarifying the process for state-employed firefighters to apply for program benefits. The bill further specifies that state-employed firefighters covered by the program include firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority (which are quasi-public agencies) and makes related conforming changes.

Generally, the law requires an eligible firefighter's employer to pay the program benefits and then be reimbursed from the state's firefighters cancer relief account. Under current law, the firefighters' cancer relief account must reimburse any costs for an eligible firefighter's cancer treatments not covered by his or her personal or group health insurance. The bill further specifies that the reimbursement must be to the municipal or state employer that applied for reimbursement (which conforms to current practice).

Lastly, the bill makes additional changes in the law governing the firefighters cancer relief account in order to conform with changes made by PA 25-4 (to standardize terminology and allow the account to be used to reimburse state employers).

EFFECTIVE DATE: October 1, 2025

§ 157 — LICENSING FOR INSTALLERS OF PREFABRICATED WINDOWS OR DOORS

Requires an installer of pre-glazed or preassembled windows or doors in commercial buildings to be licensed as a flat glass contractor or journeyperson

The bill requires an installer of pre-glazed or preassembled windows or doors in commercial buildings to be licensed as a flat glass contractor or journeyperson. By law, "flat glass work" means installing, maintaining, or repairing glass in residential or commercial structures.

EFFECTIVE DATE: July 1, 2025

§§ 158 & 159 — PFAS IN JUVENILE PRODUCTS

Renames "children's products" as "juvenile products" in the law that regulates the sale and use of certain products containing PFAS

The bill renames a "children's product" as a "juvenile product" under the state's law regulating the sale and use of certain products containing per- and polyfluoroalkyl substances (PFAS). The law generally defines these products as those designed or marketed for use by an infant or child under age 12, but excludes adult mattresses and electronic devices and related equipment (e.g., a computer, wireless phone, game console, mouse, keyboard, or power cord).

Beginning July 1, 2026, the law allows the manufacture, sale, or offer or distribution for sale of certain categories of new products (including the renamed children's products) with intentionally added PFAS only if the manufacturer labels them and gives prior written notice to DEEP. Without the label and notice, their manufacture, sale, or offer or distribution for sale is banned. Beginning January 1, 2028, the law bans manufacturing, selling, or offering or distributing for sale most of the same products if they contain intentionally added PFAS.

EFFECTIVE DATE: Upon passage

§ 160 — PREVAILING WAGE FOR CERTAIN DECD-ASSISTED BUSINESS CONSTRUCTION PROJECTS

Exempts certain nonprofit organizations from the prevailing wage requirements for projects receiving at least $1 million in DECD financial assistance, with exceptions; limits the portion of DECD-assisted remediation projects subject to these prevailing wage requirements to only the portion described in the financial assistance contract between the business and DECD

Covered Entities

Under current law, prevailing wage requirements apply to any business that receives at least $1 million in Department of Economic and Community Development (DECD) financial assistance for a covered construction project (i.e. building, remodeling, refinishing, refurbishing, rehabilitating, altering, or repairing a property the business owns). As under the public works prevailing wage law, the contracts these businesses enter into with contractors and subcontractors on covered projects must provide that the contractors and subcontractors pay their

construction workers the prevailing wage. Contractors who do not provide benefits at the same rate required under the prevailing wage must make up the difference in hourly wages.

Under current law, these prevailing wage requirements apply to any business or legal entity ("business organization") receiving DECD financial assistance for a covered project. The bill generally extends the requirements to municipalities, regional councils of governments, state-certified brownfield land banks, and municipal and nonprofit economic development agencies receiving this financial assistance, with specified exceptions. By law, municipalities and other political subdivisions are already subject to the public works prevailing wage law on projects that meet the prevailing wage cost thresholds (i.e. new construction projects of $1 million or more and rehabilitation or repair projects of $100,000 or more).

The bill exempts from these requirements any federally tax-exempt 501(c)(3) nonprofit and 501(c)(6) chamber of commerce that accepts at least $1 million in DECD financial assistance for a covered project valued at $10 million or less, unless it is a remediation, demolition, or pollution abatement project as described below.

DECD-Assisted Remediation Projects

For covered projects receiving DECD financial assistance for remediation, demolition, or pollution abatement in buildings, soil, or groundwater located at a project site, the bill limits the portion of the project subject to these prevailing wage requirements to only the portion described in the financial assistance contract between the business organization and DECD. Under the bill, the financial assistance contracts for these covered projects must be (1) limited to remediation, demolition, and abatement purposes and (2) separate from any contract for redevelopment activities at the site.

EFFECTIVE DATE: July 1, 2025

§ 161 — ANNUAL ADJUSTMENTS TO PREVAILING WAGE RATES

Requires contractors awarded contracts for DECD or renewable energy prevailing wage projects to adjust wage and benefit contributions each July 1 during the contract to reflect changes in the prevailing wage

Existing law requires contractors awarded contracts for state and municipal prevailing wage projects to adjust wage and benefit contributions each July 1 during the contract to reflect changes in the prevailing wage. The bill extends this requirement to contractors awarded contracts for (1) DECD prevailing wage projects (described above) and (2) renewable energy projects subject to prevailing wage requirements (CGS § 31-53d).

As for the projects covered under existing law, these contractors must contact the labor commissioner by each July 1 during the contract to find out the current prevailing wage and contribution rates.

EFFECTIVE DATE: July 1, 2025

§ 162 — PREVAILING WAGE FOR OFFSITE CUSTOM FABRICATION

Extends the state's prevailing wage law to cover off-site custom fabrication for a public works project

The bill extends the state's prevailing wage law to cover off-site custom fabrication for a covered public works project. Under the bill, "off-site custom fabrication" is fabricating systems specifically for a public works project at a site other than the project's location, but still in Connecticut. It includes plumbing, heating, cooling, pipefitting, ventilation, and exhaust duct systems, but not components or materials that are stock shelf items or readily available.

Generally, the prevailing wage law requires each contract to build, renovate, or repair certain public works projects to have a provision that requires the project's contractors and subcontractors to pay their construction workers wages and benefits equal to those that are customary or prevailing for the same work, in the same occupation, in the same town. Starting July 1, 2025, the bill requires contracts for offsite custom fabrication on prevailing wage projects to include this provision. The prevailing wage law applies to new construction projects costing at least $1 million and renovation projects costing at least $100,000.

EFFECTIVE DATE: July 1, 2025

§ 163 — STATE MARSHALS HEALTH INSURANCE

Allows state marshals to participate in the state employee health insurance plan under certain conditions

The bill allows certain state marshals to participate in the state employee health insurance plan, under the same terms and conditions, and paying the same amount, as active state employees under the State Employees Bargaining Agent Coalition (SEBAC) agreement. To be eligible, they must:

1. work as a state marshal at least 20 hours per week, on average, on a quarterly basis;

2. be actively engaged in serving (a) process for indigent parties who have the cost of serving process waived in civil or criminal matters; (b) protection orders for victims of domestic violence, sexual abuse, sexual assault, or stalking; or (c) capias mittimus orders (civil arrest warrants) issued by a family support magistrate;

3. certify the above facts for the preceding calendar quarter on forms provided by and filed with the State Marshal Commission by the 15th day of each April, July, October, and January; and

4. not have access to health insurance coverage through (a) their spouse's employer, if it meets certain criteria, or (b) the Connecticut Municipal Employees Retirement System.

More specifically, the bill disqualifies a state marshal for coverage under the state employee health insurance plan if the health insurance available through the marshal's spouse (1) has an actuarial value that at least equals the state employee plan; (2) provides similar access to in-network providers; and (3) is available at an employee premium share, for each class of coverage, that is no greater than the premium shares for active state employees under the SEBAC agreement.

Current law allows state marshals to join the state employee health

insurance plan regardless of how many hours per week they work; however, they must pay the full cost of the coverage. Under the bill, state marshals who work less than 20 hours per week on average continue to have this option.

The bill also makes technical and conforming changes (e.g., allowing the health insurance provided to state marshals over age 65 to be modified in the same ways existing law allows for active and retired state employees over that age).

EFFECTIVE DATE: October 1, 2025

§ 164 — PROBATE JUDGE VACANCIES

Removes state marshals from the process required to transmit the governor's order for an election to fill a probate judge vacancy

By law, whenever there is a vacancy or an impending vacancy of a probate judge in any district, the governor may issue writs of election directed to the town clerk, assistant town clerk, or clerks within the district, ordering an election to be held.

Current law requires the governor to transmit the writs to a state marshal, who then must transmit them to the town clerk or clerks. The bill eliminates this requirement and, instead, requires the governor to cause the writs to be conveyed to the clerk or clerks.

As under existing law, upon receipt of the writs, the clerk or clerks must warn elections to be held on the day appointed in the writs, in the same way as is done for state elections.

EFFECTIVE DATE: Upon passage

§§ 165-172 — UNDERGROUND STORAGE TANK PETROLEUM CLEAN-UP PROGRAM REPEAL, TRANSFERS, AND APPLICATIONS

Repeals the UST petroleum clean-up program and cancels any pending applications; transfers and credits all amounts appropriated and remaining for the program to the General Fund; decouples contaminated soil or groundwater remediations from program funding

The bill repeals the underground storage tank (UST) petroleum clean-up program which provided payment and reimbursement for the

costs of investigating and remediating leaking commercial tanks. The program is administered by DEEP. It is currently being phased out, in accordance with prior legislation, and no funding is available.

Related to its repeal, the bill (1) transfers and credits all amounts appropriated and remaining for the program to the General Fund; (2) cancels all pending program applications, including those that were approved but remain unpaid; and (3) decouples the requirement to have contaminated soil or groundwater remediation be done by, or under the direct on-site supervision of, a registered contractor, and according to relevant regulations adopted by the DEEP commissioner, from having the remediation's cost paid out of the program. It also makes conforming changes.

EFFECTIVE DATE: Upon passage

§§ 173 & 174 — LOCAL HEALTH DEPARTMENT AND DISTRICT FUNDING

Requires the Department of Public Health to increase aid to municipal and district health departments starting in FY 27

Starting in FY 27, the bill increases funding to local and district health departments as follows: (1) from $1.93 to $2.13 per capita for municipal health departments and (2) from $2.60 to $3.00 per capita for district health departments.

By law, to qualify for this funding, among other things, (1) municipalities must have a full-time health department and a population of at least 50,000 and (2) health districts must have a total population of at least 50,000 or serve three or more municipalities regardless of combined population.

EFFECTIVE DATE: Upon passage

§§ 175-179 — CANNABIS POLICIES AND PROCEDURES EXTENSION

Extends the maximum effective period of cannabis policies and procedures by 15 months, if regulations have not been adopted

Existing law requires the Department of Consumer Protection (DCP) and the Social Equity Council to issue policies and procedures to

implement various cannabis provisions that are currently effective until final regulations are adopted or either June 22, 2025, or July 1, 2025, if regulations have not been submitted to the Regulation Review Committee.

The bill extends the maximum effective period of these policies and procedures by 15 months, but it eliminates the requirement that the regulations have not been submitted to the Regulation Review Committee. (DCP had submitted proposed regulations to the Regulation Review Committee, which rejected them without prejudice on May 27, 2025.)

As under existing law, the policies and procedures are no longer effective once regulations are adopted.

EFFECTIVE DATE: Upon passage

§ 180 — COMMUNITY OMBUDSMAN PROGRAM

Expands the scope of the Community Ombudsman program by extending the ombudsman's authority to a broader range of services

The bill expands the scope of the community ombudsman program in the Office of the Long-Term Care Ombudsman. It does so by extending the ombudsman's authority under provisions that cover a broader category of services.

Under current law, these provisions apply to home care services, which are long-term services and supports for adults in a home- or community-based Department of Social Services (DSS)-administered program. Under the bill, these provisions instead apply to "home and community-based long-term services and supports," which more broadly includes a comprehensive array of health, personal care, and supportive services. It specifically includes (1) DSS community-based programs, and (2) providers of home care to people with physical, cognitive, or mental health conditions to enhance quality of life, facilitate optimal functioning, and support independent living in a setting of the person's choice.

The bill also expands who is considered a home care provider by

adding individuals who formally or informally offer direct home- and community-based long-term services and supports. Currently, only home health or hospice agencies and homemaker-companion agencies are considered home care providers.

Specifically, the bill applies this broader category of services to provisions that allow the ombudsman to:

1. identify, investigate, refer, and help resolve complaints;

2. raise public awareness;

3. promote access; and

4. refer clients for legal, housing, and social services.

The bill expands the ombudsman's access to data, subject to certain existing consent requirements, to include data about home- and community-based long-term services and supports, rather than data about long-term services and supports from home care providers.

The bill also makes conforming changes to the ombudsman's annual reporting and data protection requirements to reflect the expanded scope of the program.

EFFECTIVE DATE: July 1, 2025

§ 181 — DSS QUALITY REIMBURSEMENT PROGRAM FOR NURSING HOMES

Allows DSS, starting October 1, 2026, and within available appropriations, to establish a quality metrics program to incentivize nursing homes to provide higher-quality care to Medicaid residents

Existing law requires DSS to implement an acuity-based Medicaid reimbursement rate for nursing homes starting July 1, 2022. Acuity based rates generally reimburse nursing homes based on the level of care needed for residents. In practice, DSS is transitioning from a cost-based system to an acuity-based system over a period of years.

The bill effectuates this transition by authorizing DSS, starting October 1, 2026, and within available appropriations, to establish a

quality metrics program to pay nursing homes (1) for achieving high-quality outcomes based on their performance on the program's quality metrics and (2) to incentivize providing high-quality services to Medicaid residents, based on individualized reports existing law requires DSS to give them (see below).

Under the bill, the program must evaluate nursing homes based on national quality measures issued by the Centers for Medicare and Medicaid Services and state-administered consumer satisfaction measures. DSS may weight quality measures based on desired outcomes it determines.

The bill requires DSS to report on the program's implementation by February 1, 2027, to the Appropriations and Human Services committees.

EFFECTIVE DATE: October 1, 2025

Individualized Reports

As part of the new acuity-based system, existing law required DSS, starting July 1, 2022, to phase in rate adjustments based on each nursing home's performance on quality metrics, with a period of only reporting. The following year, the law requires DSS to start issuing individualized reports annually to each nursing home to show the quality metrics program's impact on the home's Medicaid rate.

Under current law, DSS must report to the Appropriations and Human Services committees, by June 30, 2025, on the quality metrics program, including information on the individualized quality metrics reports and the anticipated impact on nursing homes if the state implemented a rate withhold on nursing homes that fail to meet certain quality metrics. (Presumably, "rate withholds" refers to some portion of a nursing home's Medicaid payment that DSS keeps or otherwise declines to pay a nursing home based on its performance under the quality metrics program.)

The bill eliminates this requirement starting October 1, 2025 (presumably, DSS must still report to the committees by June 30, 2025).

§ 182 — ROAD NAMING

Eliminates a road naming from sSB 1377 of the current session

The bill eliminates a provision of sSB 1377, as amended by Senate "A," naming a road portion in East Hartford the "Melody A. Currey Memorial Highway."

EFFECTIVE DATE: Upon passage

§ 183 — WATER FLUORIDATION

Codifies the amount of fluoride that water companies must add to the water supply, rather than tying the amount to federal recommendations

The bill codifies the amount of fluoride that water companies must add to the water supply, rather than tying the amount to federal Department of Health and Human Services (HHS) recommendations as current law does. In doing so, it maintains the current required level.

Specifically, it requires water companies to add enough fluoride to maintain an average monthly fluoride content of 0.7 milligrams per liter (mg/L), within a range of 0.15 mg/L greater or lower than this amount. As under current law, the bill applies to water systems that serve at least 20,000 people. (The current HHS recommendation is 0.7 mg/L, but HHS recently directed the Centers for Disease Control and Prevention (CDC) to reexamine the issue.)

EFFECTIVE DATE: Upon passage

§ 184 — FEDERAL RECOMMENDATION ADVISORY COMMITTEE

Allows DPH to create an advisory committee on matters related to CDC and FDA recommendations

The bill expressly allows the Department of Public Health (DPH) commissioner to create a committee to advise her on matters relating to federal CDC and Food and Drug Administration (FDA) recommendations, using evidence-based data from peer-reviewed sources. If convened, the committee must serve in a nonbinding advisory capacity, providing guidance solely at the commissioner's discretion.

The committee may include, among others, the following members

from in-state higher education institutions:

1. the deans of public health schools at an independent and a public institution,

2. a primary care physician with at least 10 years of clinical experience and who is a medical school professor,

3. an infectious disease specialist with at least 10 years of clinical experience and who is a professor, and

4. a pediatrician with at least 10 years of clinical experience and expertise in children's health and vaccinations and who is professor.

The committee may also include anyone else the commissioner determines would be beneficial.

EFFECTIVE DATE: Upon passage

§§ 185 & 186 — EMERGENCY DEPARTMENTS AND EMERGENCY CARE PROVIDERS

Requires hospital emergency departments to provide services related to pregnancy complications when necessary; prohibits emergency departments, or their providers, from discriminating on various bases; requires hospitals to comply with the federal EMTALA, and DPH to adopt certain EMTALA-related provisions into state regulations if the federal law is revoked; allows DPH to take disciplinary action against hospitals or providers who violate these provisions

The bill sets various requirements and restrictions for hospital emergency departments related to emergency care and the federal Emergency Medical Treatment and Labor Act (EMTALA, see *Background – EMTALA*).

The bill requires hospital emergency departments, in cases when there is a serious risk to a patient's life or health, to include as part of their required care reproductive health care services related to pregnancy complications if those services are legal in the state and necessary to treat the patient. This at least includes services related to miscarriage management and treating ectopic pregnancies. These provisions generally codify into state law existing requirements under

EMTALA.

The bill prohibits emergency departments, or health care providers providing care at them, from discriminating against a patient when providing emergency care based on the person's ethnicity, citizenship, age, preexisting medical condition, insurance or economic status, ability to pay, sex, race, color, religion, disability, genetic information, marital status, sexual orientation, gender identity or expression, primary language, or immigration status. But it is not discrimination for an emergency department provider to consider any of these factors if the provider believes it is medically significant to providing appropriate care.

The bill also requires hospital emergency departments to meet the requirements of (1) EMTALA, including related federal regulations on emergency department patient transfers, capabilities, and on-call professional staff, or (2) any DPH regulations adopted under the bill if EMTALA is revoked, not enforced, or no longer applies (see below).

Under the bill, hospitals that provide emergency care must adopt policies and procedures to implement these provisions and make them available to DPH upon request.

The bill specifies that these provisions do not impact accepted medical standards of care.

EFFECTIVE DATE: Upon passage

Required Regulations If EMTALA Is Revoked

The bill requires the DPH commissioner to adopt regulations to implement certain requirements for hospitals if EMTALA, as it existed as of the bill's passage, in whole or part (1) is revoked, (2) is not being adequately enforced, or (3) no longer applies in Connecticut. The commissioner has the sole discretion to determine whether any of these events occur, but she may consult with the attorney general's office when doing so.

Specifically, the regulations must implement operational

requirements for hospitals in Appendix V of the federal Centers for Medicare and Medicaid Services' State Operations Manual for hospitals, as of December 31, 2024. The appendix includes detailed interpretative guidelines on what hospitals must do to comply with EMTALA.

Under the bill, if the commissioner finds, under existing procedures, that adopting these regulations with fewer than 30 days' notice is needed due to imminent danger to public health, safety, or welfare, she must adopt them (1) without prior notice, public comment period, or hearing or (2) upon any abbreviated notice, public comment period, and hearing, if feasible. Under existing law, the (1) governor must approve a finding that the conditions warrant an emergency regulation and (2) Regulation Review Committee has 15 days to disapprove an emergency regulation (CGS § 4-168(g)).

The bill specifies that it does not (1) require the commissioner to request, or otherwise involve, any federal entity's participation in overseeing or enforcing these regulations or (2) authorize her to adopt these regulations based on routine changes to EMTALA that do not lead to a material loss of patient rights.

Under the bill, if the commissioner adopts these regulations, the Public Health Committee must annually review them and recommend to the commissioner whether she should maintain or repeal them.

Investigations and Disciplinary Action

Under the bill, DPH may investigate each alleged violation of these provisions, unless the commissioner concludes that the (1) facts do not require further investigation or (2) allegation is otherwise without merit.

The bill allows DPH to take disciplinary action, under existing procedures, against hospitals or individual providers. By law, DPH may impose a range of disciplinary actions, such as (1) revoking or suspending a license, (2) issuing a letter of reprimand, (3) placing the institution or person on probationary status, or (4) imposing a civil penalty.

Background — EMTALA

EMTALA requires every hospital with an emergency department that participates in Medicare to screen and treat patients with emergency medical conditions or arrange for their appropriate transfer if they are unable to do so. They must do this regardless of a person's income, insurance status, or other factors (e.g., immigration status, race, or religion). Hospitals and providers who fail to comply are subject to civil penalties and termination from Medicare or Medicaid (42 U.S.C. § 1395dd and 42 C.F.R. § 1003.500).

§ 187 — SAFE HARBOR ACCOUNT

Creates an account funded by private sources to award grants to nonprofit organizations that provide funding for reproductive or gender-affirming health care services or collateral costs related to these services

The bill creates the "safe harbor account" related to reproductive and gender-affirming health care. The account is a separate, nonlapsing account of the state treasurer administered by a board of trustees, and must contain funds received from private sources (e.g., gifts, grants, or donations) and earnings on those funds. The bill requires the treasurer to follow certain standards when investing the account's funds.

Under the bill, account-related administrative costs (for maintenance or disbursements) must be paid from the account itself and not from taxpayer funds, except the treasurer may use available staff resources to administer the account.

The board must spend the account's funds to award grants, in line with policies and procedures it adopts, to nonprofits that:

1. provide funding for reproductive or gender-affirming health care services or the collateral costs (such as travel, lodging, or meals, but not the procedure itself) people incur receiving these services in the state; or

2. serve LGBTQ+ youth or families in Connecticut by reimbursing or paying them directly for their collateral costs to receive reproductive or gender-affirming health care services in the state.

EFFECTIVE DATE: July 1, 2025

Required Investment Standards

The bill requires the treasurer to invest the account's funds in a manner reasonable and appropriate to achieve the account's objectives. In doing so, he must exercise the discretion and care of a prudent person in similar circumstances with similar objectives. The treasurer must give due consideration to rate of return risk; term or maturity; diversification of the account's total portfolio; liquidity; projected disbursements and expenditures; and expected payments, deposits, contributions, and gifts to be received.

The account's funds must be continuously invested and reinvested in a way consistent with its objectives until they are disbursed as set forth in the bill.

Board of Trustees

Under the bill, the safe harbor account is administered by a five-member board of trustees. The board includes the state treasurer or his designee (who serves as the board's chairperson) and four treasurer-appointed members, including (1) one in-state provider of reproductive health care services, (2) one person experienced in working with the LGBTQ+ community, (3) one person experienced in working with reproductive health care providers, and (4) one person experienced in working with providers of health care or mental health services to the LGBTQ+ community.

When making his appointments, the treasurer must use his best efforts to ensure that the board reflects the state's racial, gender, and geographic diversity.

Board Policies and Procedures

The bill requires the board of trustees, by September 1, 2025, to adopt policies and procedures on awarding these grants, including (1) application procedures, including procedures for subgrants; (2) eligibility criteria for applicant nonprofits, including subgrantees, and for people served by the grants; (3) eligibility criteria for collateral costs; (4) considerations of need for people served by the grants, including the urgency or time sensitivity and financial need; and (5) ways to

coordinate with any national network that performs similar functions, including on accepting funding transferred to the account for a particular use. The policies and procedures must not condition grant eligibility on the collection or retention of patient-identifiable data.

The bill allows the board, as it deems necessary, to update the policies and procedures. It also allows the board to make a fact-based eligibility determination if it decides that the policies and procedures are inadequate to determine (1) a particular provider's or organization's eligibility or (2) whether a provider or nonprofit may use grant money to reimburse or pay for a certain service or collateral cost.

§§ 188 & 189 — OPIOID USE DISORDER

Declares opioid use disorder to be a public health crisis in the state and requires the Alcohol and Drug Policy Council to convene a working group to set goals to combat this disorder's prevalence

The bill requires the state's Alcohol and Drug Policy Council to convene a working group to set one or more goals for the state in its efforts to combat the prevalence of opioid use disorder. The council must report on these goals to the Public Health Committee by July 1, 2026.

The bill also declares that opioid use disorder is a public health crisis in Connecticut and will continue as one until the state meets the working group's goals.

EFFECTIVE DATE: Upon passage

§ 190 — PUBLIC HEALTH URGENT COMMUNICATION ACCOUNT

Creates an account to fund DPH communications during public health emergencies

The bill creates the public health urgent communication account as a separate, nonlapsing account that must contain any money required by law to be deposited into it.

Under the bill, DPH must use the account's funds to give the public, health care providers, and other stakeholders timely, effective communication during a governor-declared public health emergency.

EFFECTIVE DATE: Upon passage

§ 191 — EMERGENCY PUBLIC HEALTH FINANCIAL SAFEGUARD ACCOUNT

Creates an account to address unexpected shortfalls in public health funding

The bill creates the emergency public health financial safeguard account as a separate, nonlapsing account that must contain any money required by law to be deposited into it.

Under the bill, DPH must use the account's funds to (1) address unexpected shortfalls in public health funding and (2) ensure the department's ability to respond to the state's health care needs and provide essential public health services. But the bill specifically prohibits DPH from using the account for any of the purposes for which the safe harbor account may be used (see § 187).

EFFECTIVE DATE: Upon passage

§ 192 — SUDEP INFORMATION

Requires physicians, APRNs, and PAs who regularly treat patients with epilepsy to give them information on sudden unexpected death in epilepsy

Starting October 1, 2025, the bill requires physicians, advanced practice registered nurses (APRNs), and physician assistants (PAs) who regularly treat patients with epilepsy to inform them about sudden unexpected death in epilepsy (SUDEP), which is death among people with epilepsy not caused by injury, drowning, or other known unrelated causes. Specifically, they must give patients information on the risks of SUDEP and ways to mitigate those risks.

EFFECTIVE DATE: July 1, 2025

§ 193 — AEDS AT CERTAIN LONG-TERM CARE FACILITIES

Requires nursing homes and certain managed residential communities to have an AED in a central location

The bill requires administrators of nursing homes and managed residential communities (MRCs), by January 1, 2026, to have and maintain an automated external defibrillator (AED) in a central location at the home or MRC. They must (1) make the AED's location known and accessible to staff members and residents and their visiting family members and (2) maintain and test the AED according to the

manufacturer's guidelines.

Under the bill, as under existing law, MRCs are facilities consisting of private residential units that provide a managed group living environment for people who are primarily age 55 or older. The bill excludes (1) state-funded congregate housing facilities, (2) elderly housing complexes receiving assistance and funding through the U.S. Department of Housing and Urban Development's Assisted Living Conversion Program, and (3) affordable housing units subsidized under DSS's assisted living demonstration project.

EFFECTIVE DATE: October 1, 2025

§ 194 — PANCREATIC CANCER SCREENING PROGRAM

Requires DPH, within available appropriations, to create a pancreatic cancer screening and treatment referral program

The bill requires the DPH commissioner, by January 1, 2026, and within available appropriations, to establish a pancreatic cancer screening and treatment referral program within DPH.

The program must (1) promote pancreatic cancer screening and detection among people who may be susceptible to the disease due to higher risk factors; (2) educate the public, including unserved and underserved populations (see below), about this cancer and the benefits of early detection; and (3) provide referrals to appropriate screening, counseling services, and treatment referral services.

The bill requires the program to include creating a public education and outreach initiative to publicize (1) pancreatic cancer screening services and the extent of health coverage that may be available for them; (2) the benefits of early detection and the recommended frequency of screening services, including clinical examinations; and (3) Medicaid and any other public or private program that patients may use to access these services.

The program must link to, and coordinate with, screening and counseling and treatment referral services offered by hospital systems, health care entities, and providers recognized by DPH. The program

must also use and distribute professional education programs on the benefits of early detection of pancreatic cancer and the recommended screening frequency.

Under the bill, "unserved or underserved populations" are patients (1) at or below 250% of the federal poverty level for individuals (250% is $39,125 for 2025); (2) without health coverage for pancreatic cancer screening services; and (3) of an age at which these screening services are deemed appropriate by medical professionals.

EFFECTIVE DATE: October 1, 2025

§ 195 — EMS ADMINISTERING GLUCAGON NASAL POWDER

Requires EMS personnel to receive training on administering glucagon and allows them to administer glucagon nasal powder when necessary

The bill allows emergency medical services (EMS) personnel to administer glucagon nasal powder. Generally, "glucagon nasal powder" is a class of intranasally-administered medications used to treat severe low blood sugar in people with diabetes.

In order to administer glucagon nasal powder, the EMS professional must (1) be trained in administering injectable glucagon and (2) determine that administering glucagon is necessary to treat the patient.

The bill requires all EMS personnel to receive this training from an organization designated by the DPH commissioner. It also allows licensed or certified ambulances to have glucagon nasal powder for EMS personnel to administer as described above.

Under the bill, "EMS personnel" are (1) certified emergency medical responders; (2) any class of certified emergency medical technicians (EMTs), including advanced EMTs; and (3) licensed paramedics.

EFFECTIVE DATE: Upon passage

§ 196 — HOSPITAL FINANCIAL ASSISTANCE PORTAL

Requires OHA to contract with a vendor to develop an online hospital financial assistance portal for patients and their family members

The bill requires the Office of the Healthcare Advocate (OHA) to

contract with a vendor to develop an online hospital financial assistance portal for patients and family members.

Under the bill, the portal must serve as a navigation tool to help patients and family members identify and apply for hospital financial assistance at Connecticut hospitals that would partially or fully reduce patients' liability for the cost of care. At a minimum, the portal may include:

1. technical assistance and tools that streamline the application process for assistance,

2. a screening tool to help determine whether patients may be eligible for assistance, and

3. information to help patients and family members avoid future medical debt.

The bill also authorizes OHA to (1) consult with the Office of Policy and Management (OPM) and publish information about the state's medical debt erasure initiative on the OHA website (see *Background — Medical Debt Erasure Initiative*) and (2) develop, in consultation with relevant organizations, recommendations on the initiative that may help patients and family members avoid future medical debt, including ways to streamline the hospital financial assistance application process.

Starting July 1, 2026, hospitals that offer financial assistance programs must give OHA contact information for their programs (i.e. website links, email addresses, and phone numbers). If a hospital revises the program's application form or contact information or establishes a new program, it must notify OHA and give the office any new program contact information within 30 days after doing so.

EFFECTIVE DATE: July 1, 2025

Background — Medical Debt Erasure Initiative

PA 23-204, as amended by PA 24-81, allocated $6.5 million in federal American Rescue Plan Act (ARPA) funds for the state to enter a

partnership with Undue Medical Debt, a national nonprofit organization. Undue Medical Debt uses these funds to negotiate with hospitals and other health care providers to eliminate large, bundled portfolios of certain medical debt.

To qualify for medical debt erasure, patients must have (1) income at or below 400% of the federal poverty level (e.g., $84,600 for a family of two in 2025) or (2) medical debt that is at least 5% of their income. Patients do not apply for the debt relief. Instead, they are notified by Undue Medical Debt if their debt has been identified for erasure.

During the initiative's first round in December 2024, the state invested approximately $100,000 in ARPA funds to acquire approximately $30 million in qualifying medical debt. During the second round this spring, the state invested $575,000 in ARPA funding, and Undue Medical Debt acquired and eliminated more than $100 million in qualifying medical debt.

§ 197 — FOOD CODE REVISIONS

Requires the DPH commissioner to adopt into the state's food code any FDA food code revision issued by the end of 2024, and gives her the discretion to adopt other supplements to the federal code

Existing law requires the DPH commissioner to adopt the FDA Food Code as the state's food code for regulating food establishments, and DPH regulations doing so took effect in early 2023. The bill requires the commissioner to adopt into the state code any FDA code revision issued by December 31, 2024. It gives her the discretion to adopt into the state code other supplements to the federal code, rather than requiring her to as under current law.

EFFECTIVE DATE: Upon passage

§§ 198-200 — HOME HEALTH AND HOSPICE

Makes various changes to laws on home health and hospice agency staff safety, such as (1) requiring health care providers to give these agencies certain information when referring or transferring a patient to them, (2) extending to hospice agencies certain requirements that already apply to home health agencies, and (3) requiring these agencies to create a system for staff to report violent incidents or threats

The bill makes various changes to laws on staff safety for home health

care and home health aide agencies ("home health agencies"), and extends some of these provisions to hospice agencies (i.e. organizations that provide home care and hospice services to terminally ill patients).

It requires health care providers, when referring or transferring a patient to a home health agency, to give the agency any documentation or information the provider has on the topics that the agency must collect during client intake (generally client and service location information; see *Background — Home Health Agency Client Intake Data Collection*). It similarly requires providers to give this information to hospice agencies. These provisions apply to the extent it is feasible and consistent with other state or federal laws.

Existing law, unchanged by the bill, does not require DPH-licensed hospice organizations to collect this information at client intake. The bill also specifically exempts from this data collection requirement agencies that operate solely as a (1) hospice agency, (2) home health care agency hospice program, (3) hospice-based home care program, or (4) hospice inpatient facility.

The bill extends to hospice agencies requirements to comply with certain safety-related training requirements (or risk losing Medicaid reimbursement if they fail to provide the training). Currently, these requirements apply only to home health agencies.

Current law requires home health agencies to conduct monthly safety assessments with direct care staff at the agency's monthly staff meeting. The bill extends this requirement to hospice agencies and allows any of these agencies to complete the assessment through in-person or virtual meetings or other communication methods, including email, phone calls, text messages, a hotline, or a reporting portal. It also requires these agencies to create a system for staff to promptly report violent incidents or potential threats, along with the safety assessments.

Current law authorizes the DSS commissioner to increase Medicaid rates for home health agencies that report workplace violence incidents to DSS and DPH within seven calendar days after they happen. The bill (1) specifies that DSS may do so only within available appropriations

and (2) extends this provision to hospice agencies.

Existing law also requires home health agencies to annually report to DPH on (1) each instance of a client's verbal abuse that a staff member perceived as a threat or danger, physical or sexual abuse, or any other client abuse of a staff member and (2) the actions they took to ensure the affected staff member's safety. The bill requires these agencies to report threats or abuse against staff members by anyone, not just clients, if related to the staff member's employment. It also extends this reporting requirement to hospice agencies. As under existing law, DPH must annually report on the collected information to the Public Health Committee.

EFFECTIVE DATE: October 1, 2025

Hospice Worker Safety Training

The bill extends to hospice agencies safety training requirements that currently only apply to home health agencies. Specifically, it requires hospice agencies to adopt and implement a home care worker health and safety training curriculum consistent with the one endorsed by the federal (1) CDC's National Institute for Occupational Safety and Health and (2) Occupational Safety and Health Administration, including training to recognize and manage common home care workplace hazards and practical ways to manage risks and improve safety. Hospice agencies must provide annual staff training that aligns with this curriculum.

Under the bill, the DSS commissioner must generally require these agencies to provide evidence that they adopted and implemented the above training curriculum to continue receiving Medicaid reimbursements. The commissioner, at her discretion, may approve alternative applicable training programs.

Background — Home Health Agency Client Intake Data Collection

The law generally requires home health agencies to collect certain information during intake with a prospective client and give it to any employee assigned to the client, to the extent it is feasible and consistent

with other laws. Specifically, this includes information on the following:

1. the client, including, if applicable, the client's history of violence against health care workers, domestic abuse, or substance use; a list of the client's diagnoses, including psychiatric history; whether the client's diagnoses or symptoms have been stable over time; and any information on violent acts involving the client from judicial records or any sex offender registry data concerning the client; and

2. the service location, including, if known to the agency, the municipality's crime rate, as determined by the most recent state crime annual report issued by the Department of Emergency Services and Public Protection; the presence of hazardous materials (including used syringes), firearms or other weapons, or other safety hazards; and the status of the location's fire alarm system.

§ 201 — EVALUATION OF DOC HEALTH CARE SERVICES

Requires the correction ombuds to evaluate health care services for incarcerated individuals, and specifies certain steps he may take when doing so

The bill specifically requires the state's correction ombuds to evaluate the provision of health care services to people who are incarcerated by the Department of Correction (DOC). This must include medical, dental, and mental health care and substance use disorder treatment services.

In doing so, the ombuds may do the following:

1. receive, investigate, and respond to complaints on DOC health care access or quality;

2. employ or contract with licensed health care professionals to provide independent clinical reviews of these complaints, when necessary;

3. collect and analyze health-related data across correctional facilities, including on appointment wait times, mental health care access, medication access and continuity, hospitalizations,

and mortalities; and

4. make recommendations to DOC, DPH, and the Judiciary and Public Health committees on necessary improvements in the delivery of health care services within correctional facilities.

Existing law requires the ombuds to annually report to the Judiciary Committee on (1) the conditions of confinement within the state's correctional facilities and halfway houses and (2) his findings and recommendations. The bill specifically requires the report to address the delivery of health care in these settings and include recommendations for any improvements in health care service delivery.

The bill also updates terminology and makes other technical changes.

EFFECTIVE DATE: October 1, 2025

§ 202 — CONSERVATOR APPOINTMENT EXPEDITED PROCESS

Requires the probate court administrator and DSS commissioner to evaluate the feasibility of establishing an expedited process to appoint a conservator for hospital emergency department patients who lack the capacity to consent to services

The bill requires the probate court administrator and DSS commissioner to evaluate the feasibility of establishing an expedited process to appoint a conservator for hospital emergency department patients who lack the capacity to consent to services. This process's purpose is to ensure that these patients receive timely services and to help reduce emergency department crowding and boarding (that is, keeping patients in the department while they await inpatient beds). By January 1, 2026, they must jointly report on the evaluation and any legislative recommendations to the Public Health Committee.

EFFECTIVE DATE: Upon passage

Background — Temporary Conservator Appointments

By law, the probate court may appoint a temporary conservator if, upon the petition of certain parties (e.g., a spouse or other relative), it finds that (1) the respondent cannot manage his or her affairs or care for himself or herself, (2) immediate and irreparable harm to the person's mental or physical health or financial or legal affairs will result without

the appointment, and (3) the appointment is the least restrictive available way to prevent this harm. A physician generally must have examined the person and made certain findings.

Under some circumstances, if the court determines that delay would cause immediate and irreparable harm, it can order the appointment ex parte and without prior notice to the respondent. In these cases, it must hold the required hearing within three days after the order (excluding weekends and holidays) (CGS § 45a-654).

§ 203 — HOSPITAL REPORTING ON EMERGENCY DEPARTMENTS

Adds to the required recipients of hospitals' annual reports analyzing emergency department data

Existing law generally requires hospitals to annually analyze certain emergency department data toward the goals of (1) developing ways to reduce admission wait times, (2) informing potential ways to improve admission efficiencies, and (3) examining root causes for admission delays. By each March 1 (until 2029) they must annually report to the Public Health Committee on their findings and recommendations. This bill requires them to also submit these reports to the DPH and Office of Health Strategy (OHS) commissioners and the Healthcare Advocate.

EFFECTIVE DATE: Upon passage

§ 204 — HOSPITAL DISCHARGE WORKING GROUP

Creates a working group on hospital discharge challenges

The bill creates a 22-member working group to evaluate hospital discharge challenges, including discharge practices, and propose strategies to reduce discharge delays, improve care transitions, and alleviate emergency department boarding. By January 15, 2026, the group must report its findings and recommendations to the Human Services and Public Health committees.

Under the bill, the Public Health Committee's administrative staff serves in that capacity for the working group.

EFFECTIVE DATE: Upon passage

Working Group Membership

The group consists of the DPH, OHS, DSS, and insurance commissioners or their designees, and the following members appointed by the Public Health Committee chairpersons and ranking members:

1. two hospital administrators (specifically, chief operating officers or vice presidents of care coordination), one from an urban hospital and one from a rural one;

2. two emergency department physicians, nominated by an in-state college of emergency physicians;

3. one practicing hospitalist with discharge planning experience;

4. two health system executives, one from a community hospital;

5. one representative each from (a) a Connecticut-licensed commercial health insurer, (b) a care management organization under a Medicaid care management contract with the state, (c) a skilled nursing facility, (d) a home health or community-based care organization, (e) a patient advocacy organization with care transition expertise, and (f) an in-state hospital association;

6. one behavioral health provider involved in discharge transitions;

7. one primary care physician affiliated with a clinically integrated network;

8. one academic or public health policy expert from an in-state higher education institution; and

9. one member each from the Human Services and Public Health committees, as nonvoting members.

§ 205 — CSCU RESERVE FUND EXPENDITURE WORKING GROUP

Establishes a working group to oversee and monitor expenditures from each reserve fund of CSCU or the higher education institutes within CSCU

For FY 26 through FY 30, the bill establishes a working group to

oversee and monitor expenditures from each reserve fund of the Connecticut State Colleges and Universities (CSCU), or the higher education institutions within CSCU.

Under the bill, a "reserve fund" is a fund established for holding monies notimmediately needed for use or disbursement. It does not include any special capital reserve fund or other debt service reserve fund.

Initial appointments for all members must be made by July 31, 2025, and any vacancies must be filled by the appointing authority.

Working Group Responsibilities

The working group's responsibilities include:

1. monitoring reserve fund expenditures to ensure at least 13% of the funds are annually spent on educational and student services,

2. making reserve fund expenditure recommendations to CSCU, and

3. informing the General Assembly on the need for increased General Fund contributions for ongoing expenses.

CSCU must regularly provide the working group, in a form and manner the group determines, with the information needed to fulfill these responsibilities.

Under the bill, beginning by February 1, 2027, the working group must annually submit a report on its findings and recommendations to the Higher Education and Employment Advancement Committee through February 1, 2031. The working group terminates when it submits its final report.

The working group's chairpersons (see below) must schedule the group's first meeting, which must be held by August 30, 2025. The working group must meet at least once every two months and any other times the chairpersons determine.

Chairpersons, Ex-Officio Members, and Administrative Staff

The bill specifies that the Higher Education and Employment Advancement committee's chairpersons, vice chairpersons, and ranking members, or their designees, are ex-officio, non-voting board members, However, the committee's chairpersons must select two members of the committee's leadership to serve as the group's chairpersons, who will serve as voting members. Additionally, under the bill, any chairperson's, vice chairperson's, or ranking member's designee, who is not a legislator, is designated as a voting member.

The Higher Education and Employment Advancement Committee's administrative staff will serve as the working group's administrative staff.

Voting Members

The working group includes the following voting members:

1. the two members from the General Assembly chosen to serve as chairpersons;
2. any designees chosen by the committee's chairpersons, vice chairpersons, or ranking members (see above);
3. two OPM representatives appointed by the OPM secretary;
4. two CSCU representatives appointed by the CSCU chancellor;
5. the Board of Regents chairperson, or his designee;
6. seven representatives from labor organizations who represent CSCU employees appointed by the faculty advisory committee (CGS § 10a-3a);
7. two students, including one from Connecticut State Community College or Charter Oak State College and one from a Connecticut state university, appointed by the Higher Education and Employment Advancement Committee's chairpersons.

EFFECTIVE DATE: July 1, 2025

§§ 206-211 — LACTATION CONSULTANT LICENSURE

Creates a DPH licensure program for lactation consultants; allows unlicensed people meeting specified criteria to practice lactation consulting or provide related services, if they do not refer to themselves as "lactation consultants"

Starting in July 2026, the bill creates a DPH licensure program for lactation consultants. To receive a license, an applicant must have a certification in good standing from the International Board of Lactation Consultant Examiners (IBLCE) or any successor to it.

The bill generally prohibits unlicensed people from practicing lactation consulting for compensation, using the "lactation consultant" title, or holding themselves out to the public as licensed lactation consultants. But it does not restrict unlicensed people meeting specified criteria from practicing lactation consulting or providing related services if they do not refer to themselves as "lactation consultants."

In addition, the bill authorizes DPH to take disciplinary action against licensees and sets forth the grounds for these actions.

Lastly, it specifies that no new regulatory board is created for lactation consultants.

EFFECTIVE DATE: July 1, 2026

Lactation Consulting Definition

Under the bill, "lactation consulting" is helping families with lactation and feeding by clinically applying scientific principles and multidisciplinary evidence for evaluation, problem identification, treatment, education, and consultation, including the following services:

1. taking maternal, child, and feeding histories;

2. performing clinical assessments related to breastfeeding and human lactation by systematically collecting subjective and objective information;

3. analyzing relevant information and data;

4. developing an unbiased lactation management and child feeding plan with demonstration and instruction to parents;

5. providing lactation and feeding education, including recommendations and training on using assistive devices;

6. communicating to a primary health care practitioner and referring to other practitioners, as needed;

7. conducting appropriate follow-up appointments and evaluating outcomes; and

8. keeping records of patient encounters.

Licensure Requirement and Exemptions

The bill generally prohibits anyone without a lactation consultant license from:

1. practicing lactation consulting for compensation;

2. holding himself or herself out to the public as a licensed lactation consultant;

3. using, in connection with their name or business, the "licensed lactation consultant" or "lactation consultant" titles or "IBCLC" or "L.C." designations; or

4. using any title, words, letters, abbreviations, or insignia that may reasonably be confused with this licensure.

These restrictions do not prevent people without this license from providing lactation consulting or related services under the following conditions, as long as they do not refer to themselves by the term "lactation consultant":

1. people licensed or certified by DPH as another type of provider, or by the Department of Consumer Protection (DCP) under the pharmacy laws, who are providing lactation consulting under the scope of practice of their license or certification;

2. students in a lactation consulting educational program or an accredited education program required for DPH licensure or certification (or DCP under the pharmacy laws), if lactation consulting is a part of the program and the student provides the consulting under appropriate program supervision;

3. people providing lactation education and support through the federal Special Supplemental Food Program for Women, Infants, and Children (WIC) or other federally funded nutrition assistance programs, while acting within their job description and training;

4. certified community health workers providing lactation support to HUSKY Health program members;

5. people providing education, social or peer support, peer counseling, or nonclinical services related to lactation and feeding;

6. doulas or midwives providing services within their training and scope of practice; or

7. public health professionals engaging in outreach, engagement, education, coaching, informal counseling, social support, advocacy, care coordination, or research related to social determinants of health or a basic screening or assessment of any risk associated with those determinants.

Licensing and License Renewals

The bill requires DPH to issue a lactation consultant license to an applicant who submits satisfactory evidence, on a DPH form, of being certified by IBLCE or any successor to it. The licensure application fee is $200.

The license expires every two years and may be renewed during the licensee's birth month for a $100 fee. To renew, licensees must provide satisfactory evidence that they have (1) a current certification with IBLCE or any successor to it and (2) completed the continuing education

IBLCE requires for that certification.

Enforcement and Disciplinary Action

The bill allows the DPH commissioner to deny a license application or take disciplinary action against a lactation consultant licensee for the following reasons:

1. failing to conform to the profession's accepted standards;
2. a felony conviction, if the disciplinary action is based on the (a) nature of the conviction and its relationship to the licensee's ability to safely or competently practice, (b) licensee's degree of rehabilitation, and (c) time passed since the conviction or release;
3. fraud or deceit in getting or seeking reinstatement of a license or in the practice of lactation consulting;
4. negligence, incompetence, or wrongful conduct in professional activities;
5. an inability to conform to professional standards because of a physical, mental, or emotional illness;
6. alcohol or substance abuse;
7. willfully falsifying entries in a hospital, patient, or other record pertaining to lactation consulting; or
8. failing to maintain certification in good standing with IBLCE.

By law, disciplinary actions available to DPH include, among other things, (1) revoking or suspending a license; (2) censuring the violator; (3) issuing a letter of reprimand; (4) placing the violator on probationary status; or (5) imposing a civil penalty of up to $10,000 (CGS § 19a-17).

Under the bill, the commissioner may order a licensee to undergo a reasonable physical or mental examination if his or her capacity to practice safely is under investigation. The bill allows the commissioner to petition Hartford Superior Court to enforce the examination order or

any DPH disciplinary action. The commissioner must give the person notice and an opportunity to be heard before taking disciplinary action.

§§ 212-241 — STATE CONTRACTING DISPARITY STUDY AND SMALL BUSINESS AND MBE SPENDING ALLOCATION PROGRAM

Changes value thresholds that determine whether certain public works contracts are subject to state laws on non-discrimination contract compliance, the Small and Minority Owned Business Set-Aside Program, and affirmative action plans for certain state contractors; converts the set-aside program into the spending allocation program by, among other things, replacing the current 25% set-aside requirements with annual spending allocation goals by industry category and contract-specific spending allocation goals based on certain localized data; requires the state to do a disparity study every five years; makes other changes related to state contracting

The bill makes changes to the state laws on non-discrimination contract compliance, the Small and Minority Owned Business Set-Aside Program, and affirmative action plans for certain state contractors. Among other things, it:

1. standardizes the definition of the "public works contracts" to which these laws apply, and in doing so, changes value thresholds that determine whether the contracts are subject to the laws;

2. converts the set-aside program into the spending allocation program by, among other things, replacing the current 25% set-aside requirements for small contractors or minority business enterprises (MBEs) (see *Background – Small Contractors and MBEs Under the Set-Aside Law*) with (a) annual spending allocation goals for goods and services by industry category and (b) contract-specific spending allocation goals for public works contracts based on the percentage of available businesses in the relevant industry and geographic market area;

3. sets specific deadlines for submitting and approving a covered contractor's plans and compliance reports related to the spending allocation program;

4. requires awarding agencies, for contracts over $1 million, to withhold 2% of the total contract price per month until the required compliance reports are submitted and approved;

5. makes a state contractor's failure to timely pay a subcontractor a discriminatory practice subject to Commission on Human Rights and Opportunities (CHRO) investigation and enforcement; and

6. requires general bids for certain state contracts to include a signed statement that the subcontractor has communicated directly with the general bidder about the work to be performed on the specific contract before submitting the general bid.

It also makes numerous minor, technical, and conforming changes (primarily related to standardizing the definition of a "public works contract" and replacing references to the set-aside program with references to spending allocation requirements and goals).

EFFECTIVE DATE: October 1, 2025

"Public Works Contract" Definition

The state's current laws on anti-discrimination contract compliance, the Small and Minority Owned Business Set-Aside program, and affirmative action plans for state contractors generally set various diversity-related requirements for the contractors on public works contracts, municipal public works contracts, and quasi-public agency projects.

Under these current laws, a "public works contract" is an agreement between any individual, firm, or corporation and the state or any of its political subdivisions (other than a municipality) for construction, rehabilitation, conversion, extension, demolition, or repair of a public building or highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance, or guarantees.

A "municipal public works contract" and "quasi-public agency project" are substantially similar to a public works contract, except that either a municipality or quasi-public agency is a party to the contract, and the project is anticipated to cost more than $50,000.

The bill broadens the definition of a "public works contract" under these three laws to cover contracts with the state, municipalities, and quasi-public agencies. Under the bill, a "public works contract" is an agreement for construction, rehabilitation, conversion, extension, demolition, or repair of improvements in real property that is financed in whole or in part with at least $150,000 from the state, such as through matching expenditures, grants, loans, insurance, or guarantees, but excluding contracts for paving roads or related services. In broadening the definition in this way, the bill sets a new value threshold of $150,000 in state funding for determining when a project becomes a "public works project" covered by the laws above.

Nondiscrimination Contract Compliance Law (§§ 213, 222 & 241)

Contract Compliance Law (§§ 213 & 241). The state's contract compliance law generally requires a contractor on a public works contract to (1) agree and warrant to make good faith efforts to employ MBEs as subcontractors and materials suppliers on the project and (2) include a nondiscrimination affirmation provision certifying that the contractor understands the law's obligations and will maintain a policy to assure that the contract will be performed in compliance with the nondiscrimination requirements.

In applying its broadened definition of a "public works contract" to these requirements, the bill changes the value thresholds for when these requirements apply. It (1) creates a new threshold of $150,000 in state funding for state contracts and (2) changes the threshold from $50,000 in a project's costs to $150,000 in state funding for municipal and quasi-public contracts.

The bill expands the criteria used to determine a contractor's "good faith efforts" to employ MBEs to include the timing and value of the contractor's bids. Current law also includes criteria such as the contractor's employment and subcontracting policies, patterns, and practices, among other things.

The bill also changes the range of entities considered MBEs under this provision by applying the definition of MBE used under the set-aside

law. In doing so, it primarily removes suppliers of materials from consideration as MBEs and includes enterprises majority-owned by people with disabilities.

The bill allows CHRO to adopt regulations on these provisions.

Additionally, the bill removes standalone provisions on sexual orientation nondiscrimination and applies the state's contract compliance law to this type of discrimination. In doing so, it explicitly applies, among other things, the law's good faith determination analysis to contractors' compliance and requires the contractor to develop and maintain adequate documentation, as determined by CHRO, of its good faith efforts.

Higher Education Contracts (§ 222). Current law generally requires certain contracts entered into by the constituent units of the state's higher education system to include the same nondiscrimination provisions as the state's contract compliance law. For contracts entered into on or after July 1, 2026, the bill requires the protected classes specified in these contract provisions to include veterans and domestic violence victims (two groups that have become protected classes in recent years).

The Spending Allocation Program (§§ 214 & 215)

Converting Set-Aside Program to Spending Allocation Program. Current law generally requires state agencies and contractors awarded state-financed municipal public works or quasi-public agency contracts to set aside or reserve (1) 25% of the total value of the contracts for exclusive bidding by small contractors and (2) 25% of that amount (6.25% of the total) for exclusive bidding by small contractors that are MBEs.

Under current law, this requirement applies to (1) municipal public works and quasi-public agency contracts anticipated to be for more than $50,000 and (2) state public works contracts, regardless of their value. The bill instead applies the requirement, as amended by the bill, to any of those contracts financed with at least $150,000 of state funding,

regardless of the contract's value.

The bill removes both fixed 25% set-aside requirements for small contractors and MBEs and replaces it with the spending allocation program described below.

Database of Certified Small Contractors and MBEs. The bill requires the state's chief data officer or his designee, by January 1, 2026, and in consultation with the Department of Administrative Services (DAS) commissioner and CHRO, to create a database of available contractors in each industry category. It must indicate (1) which contractors are certified small contractors and MBEs, (2) each contractor's industry and location, and (3) any other information about their availability. The chief data officer must post the database on OPM's website and update it at least annually in consultation with the DAS commissioner and CHRO.

DAS Report on Spending Allocation Goals. The bill requires the DAS commissioner, by each June 30, to give each state agency setting annual spending allocation goals for goods and services a preliminary report setting small contractor and MBE goals, by industry, based on the database for the 12-month period beginning July 1 in the same year. By each September 30, the state agency must submit a final version of the report to the commissioner, CHRO, and the chairpersons and ranking members of the Planning and Development (P&D) and Government Administration and Elections (GAE) committees.

Setting Spending Allocation Goals. Starting July 1, 2026, the bill requires (1) state agencies to set annual spending allocation goals for goods and services by industry category by following the annual DAS report on small contractor and MBE goals by industry and (2) awarding agencies (i.e. state, municipal, and quasi-public agencies) to set contract-specific spending allocation goals for public works contracts that reflect and are consistent with the percentage of available businesses in the relevant industry and geographic market area identified as small contractors and MBEs in the database described above.

Under the bill, awarding agencies setting spending allocation goals

and contractors awarded public works contracts must make good faith efforts, consistent with state and federal law, to achieve these goals. Under the bill, these "good faith efforts" include reasonable initial efforts needed to comply with statutory or regulatory requirements, and additional or substituted efforts when it is determined that the initial efforts are not sufficient.

Before July 1, 2026, the bill requires awarding agencies to make a good faith effort toward the annual goals set for the spending allocation programs during the prior fiscal year.

Notices and Contracts. Starting July 1, 2026, the bill requires any awarding agency awarding public works contracts to state (1) its spending allocation goals for the relevant contract in its notice of solicitation for competitive bids or requests for proposals or qualifications for the contract and (2) that the contractor will be required to comply with the spending allocation, non-discrimination, and affirmative action laws.

Awarding agencies and contractors must exclude any contract from the spending allocation requirements that may not be subject to spending allocation goals due to a conflict with federal laws or regulations.

The bill requires the head of each awarding agency to notify CHRO about its spending allocation goals for public works contracts when it makes bid documents for the contracts available to potential contractors.

Before awarding a public works contract, the bill requires a contractor to give the awarding agency a signed statement from each subcontractor listed on the bid form stating that the contractor has communicated directly with the subcontractor about the work to be performed on the contract.

Under the bill, an awarding agency may require that a contractor or subcontractor awarded a public works contract, or part of one, perform at least 30% of the work with its own workforce, however, this cannot apply to construction managers. A "construction manager" is a

constructional professional with primary responsibility for the day-to-day management of all construction or engineering activities for a project under a public works contracts with an awarding agency.

The bill prohibits (1) a contractor awarded a contract or a portion of one under these provisions from subcontracting with any other person affiliated with the contractor and (2) persons affiliated with each other from being counted towards an agency's spending allocation goal if, when considered together, they would not qualify as a small contractor or MBE.

As under the current set-aside program, the bill allows the awarding agency to require a contractor or subcontractor awarded a public works contract to furnish certain information (e.g., a certificate of incorporation, tax returns), including evidence of paying fair market value to buy or lease property or equipment from another contractor who is not eligible to be counted towards an agency's spending allocation goals.

Contractor Certifications. The bill also requires the DAS commissioner to establish a process to certify small contractors and MBEs as eligible for the spending allocation program, under the same parameters and procedures that currently apply to certifications for the set-aside program. As under current law, DAS must maintain an updated directory of certified small contractors and MBEs.

Contractor Letters of Credit. The bill allows a small contractor or MBE awarded a public works contract under these provisions to give an awarding agency a letter of credit instead of a performance, bid, labor and materials, or other required bond. The letter of credit must equal 10% of the contract for any contract for less than $100,000, and 25% of the contract for any contract for more than that.

CHRO Audits. The bill allows CHRO to audit the financial, corporate, and business records, and investigate any contractor awarded a public works contract to determine compliance with the spending allocation goal requirements and the contract compliance law. It requires the commission to publish any audit results on its website.

Exemptions. The bill exempts from these provisions any (1) awarding agency that has a total value of all contracts anticipated to be $10,000 or less and (2) municipal or quasi-public agency public works contract with a total value anticipated to be $50,000 or less.

Violations. Under the bill, when an awarding agency believes that a contractor or subcontractor awarded a state contract has willfully violated the spending allocation goal provisions, it must follow the same procedure current law requires for willful violations of the set-aside program. Generally, it must (1) notify the contractor or subcontractor about the violation and potential penalty; (2) hold a hearing; and (3) if it finds a willful violation, suspend all contract payments to the contractor or subcontractor and potentially issue a civil penalty. The bill also requires an awarding agency to follow this procedure if it believes that a contractor or subcontractor awarded a state contract has willfully violated the contract compliance law.

Quarterly Progress Reports. Under the bill, by each November 1, each state agency setting annual and contract-specific spending allocation goals must prepare a quarterly status report on the progress made towards achieving its small contractor and MBE goals during the three-month period ending one month before the report's due date. Each report must be submitted to the DAS commissioner and CHRO. A state agency that achieves less than 50% of its goals by the end of the second reporting period in any 12-month period beginning on July 1, must give the commissioner and CHRO a written explanation reporting the good faith efforts it will employ towards achieving its goals in the final reporting period.

The bill requires CHRO to (1) monitor the achievement of the annual and contract-specific goals set by each state agency and (2) prepare a quarterly report on the goal achievement. The report must be submitted to each agency that submitted a report, the economic and community development commissioner, the DAS commissioner, and the chairpersons and ranking members of the P&D and GAE committees. Failure to do so violates the law that requires state agencies to cooperate with CHRO.

Other Provisions. As under the current set-aside program, the bill (1) specifies that its provision on the spending allocation program do not apply to certain janitorial or service contracts, (2) requires the DAS commissioner and CHRO to conduct certain training sessions about the program, and (3) requires the DAS commissioner to adopt regulations to implement the program.

Statement of Purpose. The current set-aside law generally (1) finds that there is a serious need to help small contractors, minority business enterprises, nonprofit organizations, and individuals with disabilities be considered for and awarded state contracts and (2) declares the need to award contracts under the set-aside law as a matter of legislative determination. The bill further specifies that (1) these findings and determinations are based on a state-wide disparity study and (2) the remedial measures in these provisions needed to address the effects of discrimination on MBEs participating in state-funded contracting must continue until a subsequent state-validated disparity study finds that they are no longer needed to correct the effects of discrimination found in the previous disparity study.

Five-Year Disparity Study. Starting by January 1, 2030, the bill requires CHRO, in collaboration with DAS, OPM, and the Office of the Attorney General, to develop and issue a request for a proposal to do a disparity study. The study must make determinations on:

1. whether a statistically significant level of disparity exists in state-funded contracts between the percentage of certified MBEs available in each industry category and the percentage of total dollars spent that goes to them as contractors or subcontractors on those contracts;

2. if the study finds strong evidence that a statistically significant disparity exists, whether factors other than race and gender can be ruled out as its cause;

3. whether the disparity can be adequately remedied with race and gender neutral measures;

4. if it cannot be remedied solely using race and gender neutral measures, what narrowly tailored remedies might address any statistically significant disparities identified; and

5. whether there are any changes needed to state statutes, regulations, policies, or procedures to implement narrowly tailored remedies that would address any statistically significant disparities identified or bring the state into conformance with federal law.

CHRO Affirmative Action Plans & Compliance Reports (§§ 216-218)

Contracts for Less Than $1 Million (§ 216). Under current law, a contractor with at least 50 employees who is awarded a public works or municipal public works contract, or a quasi-public agency project for between $50,000 and $1 million, must develop and file an affirmative action plan with CHRO. The bill applies this requirement to "public works contracts" as defined in the bill, and in doing so, (1) applies it to contractors regardless of how many employees they have and (2) requires the project to have at least $150,000 in state funding. It also increases the applicable contract value threshold from $50,000 to $150,000.

The bill removes the current procedure for submitting and approving these plans, and replaces it with one that, among other things, requires contractors to submit a good faith efforts plan (rather than an affirmative action plan) and sets deadlines for contractors to do so. It also removes current provisions that generally (1) make a failure to develop an approved plan a bar on bidding on or being awarded future contracts; (2) require CHRO to issue certificates of compliance, valid for two years, to contractors with approved plans; and (3) allow CHRO to revoke a certificate if the contractor does not implement the plan as required by law.

Instead, under the bill, contractors awarded a public works contract (as defined by the bill) for more than $150,000 but less than $1 million, or a first-tier contractor who has entered into an agreement worth at

least $150,000 with a construction manager subject to the requirements for contracts for over $1 million (see below), must develop and file a good faith efforts plan with CHRO, which must comply with the commission's regulations. The contractor must file the plan within 45 days after the contract or agreement is awarded, and CHRO may grant one 15-day extension upon the contractor's request.

CHRO's executive director or her designee must review and formally approve, conditionally approve, or disapprove the good faith efforts plan within 120 days after it is submitted. If they fail to do so within that period, the plan is deemed approved or deficient without consequence. If they disapprove the plan, the contractor must, within 45 days after the notice of disapproval, resubmit an amended plan to remedy the reasons for disapproval. The executive director or designee must then approve or disapprove the resubmitted plan within 30 days. If they fail to do so within that period, the plan is deemed deficient without consequence. If the contractor fails to resubmit a plan, or to remedy the reasons for disapproval, the plan must receive a final disapproval from the executive director or her designee.

Under the bill, a contractor's failure to submit a plan or receipt of a final disapproval of a plan is a discriminatory practice subject to CHRO investigation and enforcement powers. A contractor who receives a final disapproval may request reconsideration under the existing procedures for reconsiderations.

Contracts for at Least $1 Million (§ 217). The bill generally requires contractors awarded a public works contract (as defined by the bill) worth at least $1 million, and construction managers that have entered into a contract with a guaranteed maximum price and been awarded a public works contract worth at least $150,000, to follow the same approval process as described above. However, for a construction manager, the good faith efforts plan must be filed within 45 days after the guaranteed maximum price agreement is executed.

In standardizing the approval process, the bill removes provisions in the current law for contracts over $1 million that generally:

1. require contractors to file their plans for approval after their bid was accepted, but before the contract is awarded;

2. allow CHRO to conditionally accept a plan if the contractor gives written assurance that it will amend the plan to meet affirmative action requirements;

3. require 2% of the total contract price to be withheld per month from any payment to the contractor until it develops an affirmative action plan (existing law, unchanged by the bill, still allows CHRO to order this after a hearing); and

4. allow a contractor to file a plan in advance or at the same time as a bid.

Compliance Report Deadlines (§ 218). Current law requires contractors and subcontractors to file compliance reports with CHRO when the commission directs it, but does not set a deadline for them to do so. The bill requires the reports to be submitted within 45 days after the substantial completion of the contract (it does not define "substantial completion"). It requires CHRO's executive director, or her designee, to review and formally approve or disapprove the report within 30 days. If they fail to approve, conditionally approve, or disapprove one within that time, it is deemed approved or deficient without consequence.

For public works contracts of at least $1 million, the bill also requires the awarding agency to withhold 2% of the total contract price per month from any payment made to the contractor until it submits all compliance reports required by CHRO and they have been approved or deemed deficient without consequence.

Failure to Timely Pay Subcontractors (§§ 225 & 228)

With certain exceptions, current law generally requires a contractor with the state to pay any subcontractor it employs within 30 days after the state pays the contractor for any work performed or materials furnished by the subcontractor. The bill reduces the payment deadline to 15 days and makes a contractor's failure to meet it a discriminatory practice subject to CHRO investigation and enforcement. As under

current law, a contractor may withhold the subcontractor's payment if, by the payment deadline, it (1) has a bona fide reason and notifies the affected subcontractor about the reason in writing and (2) gives the contracting agency a copy of the notice.

General Bids (§ 227)

The law requires general bids for contracts subject to the law on constructing and altering state buildings to include certain information, such as that the bidder (1) will execute a contract according to the general bid's terms and (2) has made good faith efforts to employ MBEs as subcontractors and suppliers of materials under the contract and will give CHRO certain related information upon request. The bill additionally requires that general bids include a signed statement from each subcontractor listed on the bid form that the subcontractor has communicated directly with the general bidder about the work to be performed on the specific contract before submitting the general bid.

Background — Small Contractors and MBEs Under the Set-Aside Law

Under the set-aside law, a "small contractor" is generally a:

1. contractor or subcontractor that (a) maintains its principal place of business in the state and (b) is registered as a small business in the federal database maintained by the U.S. General Services Administration, as required to do business with the federal government, or

2. nonprofit entity that (a) had gross revenues of $20 million or less during its most recent fiscal year and (b) is independent.

"Minority Business Enterprises" are generally small contractors with majority ownership by women, minorities, or people with disabilities. The owner must have (1) managerial and technical competence, (2) experience directly related to his or her principal business activities, and (3) the power to direct the enterprise's management or policies (CGS § 4a-60g(a)).

§§ 242 & 243 — STUDY AND WORKING GROUP ON TRANSPORTATION NETWORK COMPANIES AND THIRD-PARTY DELIVERY COMPANIES

Requires the comptroller to study the compensation of TNCs and third-party delivery company drivers; creates a working group on TNCs and third-party delivery companies

Comptroller's Study

The bill requires the comptroller to study the compensation of transportation network company (TNC) and third-party delivery company drivers in the state. It allows him to hire a consultant for the study, but requires him to (1) conduct the study within available appropriations and (2) spend no more than $100,000 dollars on it. The comptroller must submit a report on the study to the Labor and Public Employees Committee by July 1, 2026.

Under the bill, the comptroller's study must obtain and analyze data and information on the (1) income earned by TNC and third-party delivery company drivers for services they provide in the state and (2) costs directly attributable to providing them. The data and information must exclude (1) personally identifiable information and (2) proprietary, trade secret, competitively sensitive, or otherwise confidential commercial information that is not publicly available.

Working Group

The bill establishes a working group to study and make recommendations on the working conditions and compensation of TNC and third-party delivery company drivers. The study must review the comptroller's report (see above) and the working group must make recommendations on the minimum pay and fair treatment of TNC and third-party delivery company drivers. The working group must submit a report on its findings and recommendations to the Labor and Public Employees Committee by January 1, 2027. Under the bill, the working group ends when it submits the report or on January 1, 2027, whichever is later.

The bill requires the working group to have the following members, or their designees: the Labor and Public Employees Committee chairpersons, the labor commissioner, the transportation commissioner,

and the comptroller. It must also include appointed members as shown in the table below.

Table: Appointed Working Group Members

Appointing Authority *(two appointments each)*	***Appointee Qualifications***
House speaker	• One with experience working with TNC drivers • One third-party delivery company driver representative
Senate president pro tempore	• One TNC driver • One third-party delivery company driver representative
House majority leader	• One with experience working with TNC drivers • One TNC driver
Senate majority leader	• One with experience working with TNC drivers • One TNC driver
House minority leader	• One TNC representative • One third-party delivery company representative
Senate minority leader	• One TNC representative • One representative from an association representing business and industry in the state

Under the bill, all appointed members may be legislators, and all initial appointments must be made within 30 days after the bill becomes effective. Any vacancies must be filled by the appointing authority.

The bill requires the Labor and Public Employees Committee chairpersons to be the working group's chairpersons. They must schedule and hold the working group's first meeting within 60 days after the bill becomes effective. The working group must meet monthly and at other times the chairpersons deem necessary.

The bill requires the Labor and Public Employees Committee's administrative staff to serve in this capacity for the working group.

EFFECTIVE DATE: Upon passage

§ 244 — LYME GRANGE FAIR ASSOCIATION

Removes a cap on the value of property the association can own

The bill eliminates a provision in the Lyme Grange Fair Association's special act corporate charter that prohibits it from owning real or

personal property with a total value of over $10,000. Under the bill, the association is not subject to any cap.

The organization was incorporated in 1899 and the cap has not changed since then.

EFFECTIVE DATE: July 1, 2025

§§ 245 & 246 — MUNICIPAL LIEN ASSIGNMENT

Starting July 1, 2026, reduces, from 18% to 12%, the annual interest rate on assigned municipal property tax liens; for these liens and those for delinquent municipal sewer assessments, requires a written contract between the municipality and the assignee for the assignments to be valid and enforceable; caps attorney's fees related to a foreclosure, sale, or other disposition of these assigned liens at 15% of the judgment

Starting July 1, 2026, the bill reduces, from 18% to 12%, the annual interest rate on delinquent property taxes when a municipal tax collector files a lien on the property and assigns the lien (i.e. sells it to an outside party). Under existing law, unchanged by the bill, delinquent property taxes generally accrue interest at a rate of 18% per year (CGS § 12-146).

By law, an assignee of a municipal tax lien (i.e. person who bought the lien) generally has the same powers and rights as the municipality and its tax collector would have if the lien had not been assigned. Under current law, this includes charging the 18% annual interest rate. However, for assignments executed on or after July 1, 2026, and beginning on the date a lien is assigned, the bill reduces this amount to 12% on the delinquent portion of the principal of the assigned taxes.

Additionally, the bill limits the validity and enforceability of these assignments unless they are in a written contract executed by the municipality and the assignee that includes (1) a requirement that no attorney's fees will be received, claimed, or collected until the start of a foreclosure action or suit on the debt and (2) other provisions required under existing law for assignments executed on or after July 1, 2022 (e.g., the structure and rates of attorney's fees that the assignee may claim and a prohibition on the assignee assigning the lien without the municipality's prior written consent). For actions beginning on or after July 1, 2026, the bill also caps the attorney's fees in connection with a

foreclosure, sale, or other disposition of these assigned liens at 15% of the amount of any judgment entered.

The bill also extends the above validity and enforceability provision and the attorney's fees cap to assigned liens for delinquent municipal sewer assessments. These extensions similarly apply to assignments executed on or after July 1, 2026, and for actions beginning on or after that date.

EFFECTIVE DATE: October 1, 2025

§§ 247-256 — VETERAN PROPERTY TAX EXEMPTIONS

Modifies the 100% P&T veteran property tax exemption; establishes two new municipal-option veteran-related property tax exemptions for (1) surviving spouses of active duty servicemembers killed in the line of duty and (2) state residents determined by U.S. DVA to have a service-connected TDIU rating

Beginning with the 2024 assessment year, current law fully exempts from property tax a primary dwelling or motor vehicle for each former service member (i.e. veteran) who has a 100% service-connected permanent and total disability (a "100% P&T disability") rating as determined by the U.S. Department of Veterans Affairs (U.S. DVA). This bill makes various changes to this exemption's scope and administration.

It also establishes two new municipal-option veteran-related property tax exemptions that are similar to the 100% P&T exemption for (1) surviving spouses of active duty servicemembers killed in the line of duty and (2) state residents determined by U.S. DVA to have a service-connected total disability based on individual unemployability rating (TDIU, see *Background — Veteran Disability Ratings*). It also authorizes municipalities to expand or limit these optional exemptions and the 100% P&T exemption in specified ways.

The bill also makes technical and conforming changes and extends several existing provisions on veterans' property tax exemptions to the 100% P&T exemption, including provisions requiring veterans to file certain proof of their eligibility, applying the exemption to leased property, and authorizing the exemption's portability to other towns.

EFFECTIVE DATE: October 1, 2025, and except for provisions establishing the new municipal-option exemptions, applicable to assessment years starting on or after that date.

Property Tax Exemption Based on 100% P&T Disability (§§ 247 & 249-253)

Current law, as amended by PA 25-2, fully exempts from property tax any dwelling owned by a state resident with a 100% P&T disability who (1) served in the U.S. Army, Navy, Marine Corps, Coast Guard, Air Force, or Space Force; (2) resides in the dwelling as his or her primary residence; and (3) files for the exemption with the town assessor. If the veteran does not have a qualifying dwelling, one motor vehicle he or she owns and keeps in the state is fully exempt instead. If the veteran owns neither, the exemption generally applies to the veteran's spouse's dwelling or motor vehicle if they live together.

By law, unchanged by the bill, if the qualifying veteran dies, the exemption may transfer to his or her surviving spouse or minor children, subject to certain conditions.

Scope of the Exemption (§ 247). The bill makes the following changes to the exemption's scope:

1. limits the exemption applied to dwellings (including condominiums and common interest community units) to only the fractional share that belongs to or is held in trust for the qualifying veteran or other eligible claimant (i.e. eligible spouse, surviving spouse, or minor child) that he or she occupies as their primary residence;

2. expands it to cover the fractional share of a mobile manufactured home that belongs to or is held in trust for the qualifying veteran (or other eligible claimant);

3. expands it to cover eligible dwellings possessed by the qualifying veteran or spouse as a tenant for life (or for a term of years) who is liable for property taxes;

4. excludes from the exemption any portion of the dwelling's unit or structure used for commercial purposes or from which the resident derives rental income; and

5. expands the exemption applied to motor vehicles to include vehicles that belong to or are held in trust for the qualifying veteran (or other eligible claimant), rather than just vehicles owned by qualifying veterans.

For assessment years on or after October 1, 2025, the bill additionally allows any municipality, by vote of its legislative body (or a vote of the board of selectmen if the legislative body is a town meeting), to:

1. exempt up to two acres of the lot the eligible dwelling sits on;

2. extend the exemption to unmarried surviving spouses of veterans who would have otherwise qualified for the exemption, but died between a date set by the legislative body and October 1, 2024 (when the exemption went into effect); and

3. limit the total exemption amount to the median assessed value of residential real property in the municipality.

Documentation, Eligibility, and Verification (§§ 249-251). Under existing law, any taxpayers claiming a veteran-related property tax exemption must provide proof of their eligibility to the municipality in which they claim it. For assessment years on or after October 1, 2025, the bill specifies that for the 100% P&T exemption, the claimant must annually apply for the exemption by January 1 on an application created by OPM. The application must include all documentation necessary to prove the claimant's qualifying disability rating and an attestation that they have not and will not file for this exemption in another town.

By law, the municipal assessor must annually make a list of taxpayers he or she has certified as entitled to a veteran-related exemption. Unless the law requires an annual application, taxpayers on the list are generally eligible to continue receiving the exemption so long as they continue residing in the town. The bill adds an exception for taxpayers

claiming the 100% P&T disability exemption who, under the bill, must apply annually.

Further, by law, assessors may, at any time, require any taxpayer to appear in person to provide proof that he or she is still eligible for specified property tax exemptions. Current law allows anyone who is totally disabled and thus unable to appear before the assessor to instead provide a certification from a specified medical professional that they cannot appear in person. For the 100% P&T exemption, the bill instead requires claimants to provide a certification from U.S. DVA that they are unable to appear in person because of their 100% P&T service-connected disability rating.

Leased Property (§ 252). Under existing law, a veteran's property tax exemption may be applied to certain property he or she leases. This includes a (1) resident's primary dwelling that is located on leased land if the lease is recorded in the land records and requires the resident to pay all property taxes related to the dwelling and (2) motor vehicle the resident leases. The bill extends these provisions to the 100% P&T exemption.

Portability of the Exemption (§ 253). By law, most veteran property tax exemptions that municipalities must provide are portable between municipalities. This means veterans who have established their entitlement to an exemption in one town remain eligible for it if they move to another town during the tax year (even if they miss the application deadline in the second town). The bill adds the 100% P&T property tax exemption to the list of portable veteran tax exemptions.

Modification of U.S. DVA Disability Rating (§ 250)

Generally, the law requires taxpayers to provide proof of their eligibility for specified veterans exemptions as a condition of receiving them. The bill further requires that if a veteran's disability rating is modified by U.S. DVA, including a general disability rating, a TDIU rating, or a 100% P&T disability determination, a taxpayer applying for an exemption dependent on that disability rating must give the assessor proof of the modification.

Under state law and the bill, if a veteran's disability rating changes so he or she no longer qualifies for the exemption being received, the veteran may apply for the exemption he or she now qualifies for.

TDIU Veteran Municipal Option Exemption (§§ 248 & 254)

By law, municipalities must give a property tax exemption to veterans with a disability rating of 10% or more as determined by U.S. DVA or who receive a pension, annuity, or compensation from the United States due to the service-related loss of their arm, leg, or equivalent ("federal compensation").

Qualifying veterans may receive a base exemption between $2,000 and $3,500 based on the veteran's disability rating. Veterans who receive federal compensation or reach the age of 65 are also eligible for a base exemption of up to $3,500.

Under current law, the exemption consists of the base amount plus either an additional 50% or 200% of the base exemption amount, depending on whether the veteran's income is above or below a set threshold (CGS § 12-81g). The law requires municipalities to increase these amounts if a revaluation results in a grand list increase of a certain amount (CGS § 12-62g).

The bill authorizes a municipality, upon its legislative body's approval, instead of providing the disabled veterans property tax exemption, to provide an alternative exemption for state residents determined by U.S. DVA to have a TDIU rating.

If adopted, this alternative exemption applies to the same property and under the same circumstances as the 100% P&T exemption, as amended by the bill (see above). Additionally, municipalities may, with their legislative bodies' approval, expand the scope of this exemption in the same ways as the 100% P&T exemption (i.e. exempt up to two acres of the dwelling lot, extend it to certain eligible surviving spouses for qualifying veterans who died before the exemption took effect, or limit the exemption based on the median assessed value of residential property in the municipality).

As under existing law and the bill for the 100% P&T exemption, this exemption is subject to assessor verification, limitations on the number of exemptions that a person may claim, and proof of eligibility requirements. As existing law allows for other veterans' property tax exemptions, the bill allows a TDIU veteran to file proof of their eligibility late under certain conditions and receive a property tax abatement or refund, subject to limitations.

Municipal Option Exemption for Surviving Spouses (§§ 255 & 256)

By law, municipalities must give specified property tax exemptions to the unmarried surviving spouses of certain veterans or service members whose deaths were service-connected and occurred while on active duty. By law, the exemption consists of a base amount of $3,000 plus either an additional 50% or 200% of the base exemption amount, depending on whether the spouse's income is above or below a set threshold (CGS § 12-81g). The law requires municipalities to increase these amounts if a revaluation results in a grand list increase of a certain amount (CGS § 12-62g).

Alternatively, by law, municipalities may also give a property tax exemption to any income-eligible parent or surviving spouse of a service member killed in action while performing active military duty with the U.S. Armed Forces (i.e. "Gold Star" parent or surviving spouse). A municipality may exempt up to $20,000 or 10% of the assessed value of real or personal property (CGS § 12-81ii).

The bill authorizes a municipality, with its legislative body's approval, to offer an alternative property tax exemption to unmarried surviving spouses of any state residents who were killed in the line of duty while serving in the armed forces.

If adopted, the exemption applies to the same property and under the same circumstances as the 100% P&T exemption, as amended by the bill (see above). Additionally, the municipality may also (1) exempt up to two acres of the dwelling lot and (2) limit the exemption amount to the median assessed valuation of residential real property in the municipality.

Surviving spouses must notify the town clerk about their eligibility for the exemption and submit proof to the assessor of their eligibility, including two affidavits of disinterested persons affirming the spouse's eligibility. The assessor may further question the spouse about his or her eligibility. Once approved for the exemption, the bill requires the assessor to put the spouse on a list of those eligible for the exemption and notify the spouse in writing in the year immediately after the spouse's approval. It also specifies that the spouse only needs to reapply biennially to maintain the exemption.

Under the bill, a spouse is presumed eligible to receive the exemption once he or she is approved. The bill specifies that if the exemption is proven, it takes effect on the next succeeding assessment day.

As discussed earlier, the assessors may, at any time, require any taxpayer to appear in person to provide proof that he or she is still eligible for the exemption. The bill allows a spouse to provide documentation certifying they are totally disabled and unable to make a personal appearance.

Existing law, with some exceptions, generally prohibits a person from receiving more than one veteran-related property tax exemption. The bill expands this provision to include this exemption.

Background — Veteran Disability Ratings

U.S. DVA assigns disability ratings, expressed as a percentage, based on the severity of an individual's service-connected condition or conditions. These percentages are generally established through a "schedule" by evaluating disabilities that are documented during the veteran's service and awarding a certain percentage for each disability. These percentages are cumulative with a maximum rating of 100%, or a total disability.

Total disability ratings may be temporary or permanent. A permanent rating means the department has determined the impairment is reasonably certain to continue throughout the service member's life.

U.S. DVA may determine a veteran is eligible to receive benefits for a P&T disability even if the veteran's disability is rated at less than 100%. For example, a veteran who receives a TDIU rating receives benefits at the same level as an individual who has a 100% disability rating, even though he or she may not meet the criteria for a 100% schedular rating.

§ 257 — EMERGENCY CHILD PLACEMENT

Specifies that an "emergency placement" of a child occurs when they are placed in the home of a relative or fictive kin due to their primary caretaker's sudden unavailability

Under existing law, a child can be placed with a relative or fictive kin caregiver who is not Department of Children and Families (DCF)-licensed or -approved when the placement is deemed in the child's best interest if DCF does a basic family assessment, including a home visit. As part of this process, the commissioner must order a criminal history and child abuse registry check of anyone 18 years old or older living in the home after the placement is approved.

The bill specifies that these placements are "emergency placements," which the bill defines as the DCF placement of a child in the home of a relative or fictive kin caregiver due to the sudden unavailability of the child's primary caretaker.

By law, a "fictive kin caregiver" is an unrelated adult (at least age 21) who has an emotionally significant relationship with the child or the child's family amounting to a familial relationship.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

§§ 258-261 — RESERVED SECTIONS

Reserved sections

§ 262 — SEEC EXECUTIVE DIRECTOR REAPPOINTMENTS

Specifies that SEEC may reappoint its executive director for an additional term, up to an additional four years, without receiving legislative approval; specifies that an executive director who has been reappointed may not be reappointed again

By law, the State Elections Enforcement Commission (SEEC) may hire employees needed to administer the state's campaign finance laws,

including its executive director. As required by existing law, as amended by PA 25-26, starting February 1, 2027, and every four years after, SEEC must submit its executive director nomination to the legislature for approval.

Under current law, if the nomination is approved, the executive director generally serves a four-year term and may be reappointed at SEEC's discretion. The bill limits the term of the executive director's reappointment to up to an additional four years at the conclusion of his or her first term. However, under the bill, SEEC does not have to submit the reappointment to the legislature for approval.

The bill specifies that an executive director who has been reappointed may not be reappointed again.

EFFECTIVE DATE: July 1, 2025

§§ 263 & 264 — JUVENILE JUSTICE POLICY AND OVERSIGHT COMMITTEE MEMBERSHIP & ADVISORY COUNCIL

Expands JJPOC's membership to include the DOH and DESPP commissioners; establishes an advisory council to help develop the state's juvenile justice plan

The bill expands the Juvenile Justice Policy and Oversight Committee's (JJPOC) membership by adding the Department of Housing (DOH) and Department of Emergency Services and Public Protection (DESPP) commissioners, or their designees. It also requires the JJPOC community expertise subcommittee, rather than the Judiciary Committee's House chairperson and ranking member, to appoint the committee's two members, who are under age 26 with lived experience in the juvenile justice system.

The bill establishes an advisory council within JJPOC to (1) help develop the state's juvenile justice plan in line with federal requirements, (2) advise state agencies on administering the plan, and (3) review and comment on certain grant applications.

EFFECTIVE DATE: Upon passage

Advisory Council

Purpose. By creating the advisory council, the bill helps the state

meet its requirements for pursuing Title II formula grants under the federal Juvenile Justice and Delinquency Prevention Act. This federal law furthers juvenile crime prevention efforts by giving grants to states for programs that support delinquency prevention, intervention, and juvenile justice system improvements. Generally, to receive a grant a state must have a juvenile justice plan that meets specific requirements, designate a state agency to prepare and administer it, and have a state advisory group to give policy direction and participate in its preparation and administration.

In line with the federal requirement, the bill tasks the new council with (1) helping to develop and annually revise the state's juvenile justice plan and (2) advising state agencies on how to administer it and allocate grant funding. It also requires that the council have the opportunity to review and comment on the Title II grant applications submitted to the state.

Membership. The bill requires the advisory council to have at least 15, but no more than 33, members. It consists of the OPM undersecretary who directs the Criminal Justice Policy and Planning Division, or the undersecretary's designee, with the remaining members appointed by the governor. The governor must stagger initial council appointments.

For the governor's appointments, the bill requires at least (1) 20% to be under age 24 when first appointed and (2) three who either have experience in the juvenile justice system (either past or present) or, if that is not feasible, and if it is appropriate, are a parent or guardian of someone with this experience.

The bill sets the term for appointed members at three years, starting on June 30 and ending on the same day or until the governor appoints a successor. It allows members to serve two full terms, which may be consecutive. A member appointed to fill a vacated position serves for the remaining term amount and may be reappointed, as long as it would not exceed the bill's two-term cap.

§ 265 — SDE CHRONIC ABSENTEEISM REPORT

Requires SDE to annually report to JJPOC on each school district with an attendance review team

The bill requires the State Department of Education (SDE) to annually report, beginning by February 1, 2026, to JJPOC on each school district with an attendance review team. The report must include (1) specific efforts and outcomes of teams in alliance districts, as reported in the alliance district plan, and (2) any effective practice an attendance review team used to reduce chronic absenteeism rates.

By law, school districts with chronic absenteeism rates above certain thresholds must establish attendance review teams. These teams must review cases of truant and chronically absent children, discuss school interventions and community referrals, and make recommendations for the children and their parents or guardians.

Alliance districts are school districts with the lowest Accountability Index (AI) measures or that were previously designated as an alliance district in certain fiscal years (currently, there are 36 total). The AI score measures school district performance based on student standardized test scores plus additional measures, such as student growth over time.

EFFECTIVE DATE: Upon passage

§ 266 — MUNICIPAL DIVERSION DATA

Requires annual reports to the Children and Judiciary committees and the Office of the Chief State's Attorney about diversions through juvenile review boards or youth diversion programs

The bill requires each municipality or municipality's agent that operates a juvenile review board or other youth diversion programs to annually report to the Children and Judiciary committees and the Office of the Chief State's Attorney on (1) data about children diverted through the board or programs and (2) the outcomes of the diversions, and as DCF directs otherwise.

Juvenile review boards are diversionary and prevention programs designed to help local police departments deal with juvenile offenders. They are usually composed of representatives of local youth service agencies, police departments, and the juvenile court.

EFFECTIVE DATE: Upon passage

§ 267 — YOUTH DIVERSION POLICY

Requires POST, the JJPOC chairpersons, and representatives of the JJPOC community expertise subcommittee to develop a youth diversion policy and youth diversion training curriculum

The bill requires the Police Officer Standards and Training Council (POST), the JJPOC chairpersons, and representatives of JJPOC's community expertise subcommittee to develop a proposed (1) statewide uniform youth diversion policy for JJPOC's adoption and (2) youth diversion training curriculum for inclusion in minimum basic training programs that lead to police certification. Both must occur by February 1, 2026.

EFFECTIVE DATE: Upon passage

§ 268 — DCF REPORT ON SPECIALIZED TRAUMA-INFORMED TREATMENT PLAN

Requires DCF to annually report to JJPOC on its implementation of the STTAR Enhancement Plan

The bill requires DCF to annually report to JJPOC, starting by July 1, 2025, on its implementation of the Specialized Trauma-Informed Treatment Assessment and Reunification (STTAR) Enhancement Plan that it released in March 2024. The first report must use metrics in use at the time of the report. But by September 30, 2025, the bill requires DCF to consider, and allows it to develop, added metrics to be used in future reports.

The STTAR Enhancement Plan is an updated group home program for children removed from their homes by DCF due to high-risk situations.

EFFECTIVE DATE: Upon passage

§ 269 — REENTRY SUCCESS PLAN

Requires OPM to (1) annually report to JJPOC on the reentry success plan for juveniles released from DOC and judicial branch facilities and programs and (2) coordinate policy development between OPM and CSSD

The bill requires the OPM secretary to (1) annually report to JJPOC

with an evaluation of the reentry success plan for juveniles released from the Department of Correction (DOC) and judicial branch facilities and programs and (2) coordinate policy development between OPM and the judicial branch's Court Support Services Division (CSSD). It requires the evaluation to be done using a secure data enclave.

By law, the reentry success plan is developed by the CSSD executive director and the commissioners of correction, children and families, and education, or their designees, in consultation with JJPOC's incarceration, community expertise, and education subcommittees. It incorporates specific restorative and transformative justice principles covering things like academics, housing, mentoring, treatments, and training, and requires a quality assurance framework and information about federal and state funding.

EFFECTIVE DATE: Upon passage

§§ 270-277 — REAL ESTATE WHOLESALERS

Generally requires real estate wholesalers to be registered with DCP; requires real estate wholesale contracts to include a seller's right to cancel within three business days without penalty; requires real estate wholesalers to make certain disclosures and provide a DCP-developed wholesaler disclosure report

This bill generally requires a person (i.e. individual or business entity) to have a Department of Consumer Protection (DCP) registration before acting as a real estate wholesaler in Connecticut. It also requires each real estate wholesale contract to include a seller's right to cancel within three business days without penalty. It generally prohibits these contracts from providing a closing date that is more than 90 days after the contract is executed.

Under the bill, real estate wholesalers must make certain disclosures and provide a DCP-developed wholesaler disclosure report to a prospective seller.

The bill prohibits (1) anyone from recording on a town's land records any real estate wholesale contract documentation that claims to create any lien or encumbrance on the residential real property that is the subject of the wholesale contract and (2) a real estate wholesaler from

filing a purchaser's lien related to a wholesale contract.

The bill allows the DCP commissioner to adopt regulations to implement these provisions. It also makes a violation under the bill a Connecticut Unfair Trade Practices Act (CUTPA) violation (see *Background — CUTPA*).

EFFECTIVE DATE: July 1, 2026

Real Estate Wholesaler Registration

The bill generally requires a person to have a DCP registration before acting as a real estate wholesaler in Connecticut. The registration is valid for two years and may be renewed biennially. The person must submit a completed initial or renewal application, as applicable, to DCP in a way the commissioner sets, with a nonrefundable $285 application or renewal fee.

The bill allows a person to simultaneously hold a real estate broker or real estate salesperson license and a real estate wholesaler registration.

Under the bill, a "real estate wholesaler" is a person who enters into a real estate wholesale contract to facilitate or orchestrate the sale of a seller's residential real property to a third party without assuming title to the property.

A "real estate wholesale contract" means an agreement between a real estate wholesaler and the residential real property seller in which the wholesaler agrees, reasonably expects, or intends to facilitate or orchestrate the property sale to a third party, for compensation and without assuming title of the property, facilitate, or orchestrate the sale of the property to a third party.

Real Estate Wholesale Contract

Under the bill, each real estate wholesale contract must, at a minimum, include a provision providing:

1. the seller with a three-business-day period within which the

seller may, in the seller's discretion and at their expense, review the contract terms with an attorney or other advisor, and

2. that the seller may cancel the contract during this period without giving any reason for the cancellation or incurring any penalty or obligation, except to return any deposit the real estate wholesaler paid to the seller.

Closing Date. The bill prohibits any real estate wholesale contract from providing for a closing date that is more than 90 days after the date all parties executed the contract. The parties may agree to extend the 90-day period if the extension is made in writing and they all sign it. If there is no extension, the real estate wholesale contract automatically terminates at the end of the 90-day period.

Sale or Assignment to Third Party. Under the bill, any real estate wholesaler seeking to sell or assign a real estate wholesale contract to a third party must, before the sale or assignment, provide to the third party:

1. a written notice (a) disclosing all of the third party's rights, as required by the real estate wholesale contract with the seller, and (b) identifying the real estate wholesaler as a real estate wholesaler who holds a future interest in the purchase of the residential real property but does not hold title to the property; and

2. the written residential condition report that the residential real property's seller provided to the real estate wholesaler as the bill requires (see below).

Seller Disclosures. The bill requires a seller, before entering into a real estate wholesale contract with a real estate wholesaler, to:

1. provide the wholesaler a written residential condition report concerning the property that satisfies the state requirements for providing the report; and

2. satisfy all relevant federal reporting requirements.

Wholesale Disclosure Report

The bill requires the DCP commissioner, by September 30, 2026, and within available appropriations, to develop and post on the department's website a written wholesale disclosure report. The report must:

1. be in a form and manner the DCP commissioner determines;

2. be published (a) on one or more numbered pages that are not larger than 8.5 by 11 inches, and (b) in at least nine-point type, except checkboxes and section headings may be published in a smaller-point type; and

3. include (a) the residential real property address that is the subject of the report on each page; (b) section headings in bold type; and (c) space for the purchaser's and seller's initials on each page, except the report's signature page.

The bill requires the report to also include the following, in a form and manner set by the commissioner, in the order indicated, with the following language:

"Notice to Sellers: What to Know About Wholesale Transactions

If you are considering selling your property through a wholesale transaction, please be aware of the following:

1. The real estate wholesaler may not be the person or entity purchasing your property, and you may be granting them the right to sell your property to another person or entity.

2. During the contract period, the real estate wholesaler may market your property for sale.

3. A real estate wholesaler may reasonably expect or intend to make a profit, or receive compensation through an assignment fee, from selling, assigning or transferring their interest in the real estate wholesale contract.

4. As the seller, the terms of your agreement with a real estate wholesaler may provide the real estate wholesaler with the ability to make decisions to reject or accept an offer to purchase your property without your knowledge or consent during the term of the real estate wholesale contract.

5. The assessed value of a property, as assessed by a town, is not the same as the fair market value of the property, and may be significantly less than the fair market value of the property.

6. You are advised and have the right to investigate the fair market value of your property before signing a real estate wholesale contract. The sale price of your property is negotiable.

7. You may, in your discretion and at your expense, have an attorney or other advisor review the terms of a real estate wholesale contract, or have an appraiser assess the value of your property.

8. You may cancel a real estate wholesale contract during the three-business-day period beginning when you enter into the contract without providing any reason or incurring any penalty or obligation, except to return any deposit the real estate wholesaler paid to you.

9. If the real estate wholesaler is a real estate broker or a real estate salesperson, the real estate wholesaler must disclose to you who he or she represents and what fiduciary duties, if any, are owed to you in the wholesale transaction.

10. As the seller, you are required to provide certain property condition and lead paint disclosures under state and federal law. These disclosures must be completed as part of the transaction.

11. A real estate wholesale contract may not have a closing date that is more than ninety days after all parties sign the contract. However, you may agree to extend the ninety-day period, provided the extension is in writing and signed by you and the real estate wholesaler. If you do not extend the contract, the contract will automatically terminate at the end of the ninety-day period.

Please read the terms in the real estate wholesale contract to understand all of your rights and obligations thereunder, including:

(A) How prospective purchasers of your property may have access to your property for showings, inspections or for other transactional details;

(B) What additional costs you may be charged at the time of closing, such as a seller's conveyance tax or other closing-related fees; and

(C) If you have any right to cancel the contract prior to closing in addition to your right to cancel the contract during the three-business-day period beginning when you enter into the contract.

All sellers in real estate transactions should consult with appropriate professionals to understand their rights and obligations and the various implications of a real estate transaction."

The bill also requires, an acknowledgment in the following form:

"I acknowledge that I have received and understand this disclosure notice.

Signature of Seller

Seller's street address, municipality, zip code

Date:

Signature of Wholesaler

Date:"

On and after October 1, 2026, the bill requires a real estate wholesaler, before executing a real estate wholesale contract with a prospective residential real property seller, to provide the prospective seller the written wholesale disclosure report that the DCP commissioner developed. The bill specifies the real estate wholesaler may deliver the written wholesale disclosure report to the prospective seller by electronic means.

Certain Land Recordings Prohibited

The bill prohibits anyone from recording, or causing to be recorded, on any town's land records (1) any real estate wholesale contract or (2) any notice or record or any documentation that claims to create any lien or encumbrance on, or other security interest in, the residential real property that is the subject of the real estate wholesale contract. The bill also prohibits a real estate wholesaler from filing a purchaser's lien related to a real estate wholesale contract.

If any contract, notice, record, documentation, or lien is recorded on the land records of any town related to the residential real property that is the subject of the contract, the contract, notice, record, documentation, or lien is not deemed to provide actual or constructive notice to an otherwise bona fide purchaser or creditor of the property.

Regardless of the law on recording instruments, a town clerk may refuse to receive for recording any real estate wholesale contract, notice, record, or documentation described above.

Under the bill, if a real estate wholesale contract, or any notice or record, is recorded related to any residential real property, the property's owner, or any person having knowledge of facts affecting the property, may effectuate a release of any rights claimed to be created by recording the contract, notice, or record by recording an affidavit of facts setting the facts related to the recording of the contract, notice, or record. Upon recording the affidavit, any filing providing notice of the real estate wholesale contract is void and unenforceable.

Background — CUTPA

By law, CUTPA prohibits businesses from engaging in unfair and deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, impose civil penalties of up to $5,000**,** enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders;

award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to $5,000 for willful violations and up to $25,000 for a restraining order violation.

§ 278 — PRESUMED ABANDONED FUNERAL SERVICE CONTRACTS

Modifies the list of properties sSB 1434, as amended by Senate "A," requires property holders to obtain from funeral service establishments for certain presumed abandoned funeral service contracts

sSB 1434, as amended by Senate "A," and passed by the Senate, establishes circumstances under which those holding property as part of a funeral service contract are subject to certain reporting requirements and the state's unclaimed property laws.

Specifically, for funeral service contracts in effect on or after July 1, 2025, § 2 of that bill would require that property held under the contract be deemed payable or distributable under the state's unclaimed property law on the earliest of any of the following triggers:

1. when the property holder receives affirmative notice about the death of a beneficiary for which the holder maintains an escrow account,

2. the beneficiary's 110th birthday, or

3. 75 years after the funeral service contract's execution.

Also under sSB 1434, by March 1 of each year, the property holder would need to obtain from the funeral service establishment a list of all properties held by the holder as part of a contract that was executed at least 75 years ago for which the (1) establishment received an affirmative death notification about a beneficiary or (2) beneficiary reached 110 years old.

This bill instead requires the property holder to obtain a list of all properties subject to any one of the three triggers noted above.

EFFECTIVE DATE: July 1, 2025

§ 279 — ARTIFICIAL INTELLIGENCE (AI) DISCLOSURE REQUIREMENTS

Generally requires, beginning October 1, 2026, (1) anyone doing business in Connecticut who deploys an AI system that interacts with consumers to ensure it is disclosed to each consumer the system interacts with that the consumer is interacting with an AI system and (2) deployers of a high-risk AI system used to make, or that is a substantial factor in making, consequential decisions to make certain disclosures and allow consumers the opportunity to correct information and appeal adverse decisions

Public Disclosure

The bill generally requires, beginning October 1, 2026, anyone doing business in this state, including each deployer that deploys, offers, sells, leases, licenses, gives, or otherwise makes available, as applicable, any AI system intended to interact with consumers, to ensure that it is disclosed to each consumer who interacts with the AI system that the consumer is interacting with an AI system. Disclosure is not required when it would be obvious to a reasonable person that the person is interacting with an AI system.

Under the bill, an AI system is any machine-based system that (1) for any explicit or implicit objective, infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations, that can influence physical or virtual environments and (2) may vary in its level of autonomy and adaptiveness after the system is deployed.

Substantial Factor in a Consequential Decision

Beginning October 1, 2026, the bill requires each deployer of a high-risk AI system to make, or be a substantial factor in making, a consequential decision concerning a consumer to do the following:

1. before the consequential decision is made, notify the consumer that the deployer has deployed a high-risk AI system to make, or be a substantial factor in making, the consequential decision;

2. give the consumer a statement disclosing the system's purpose and the nature of the consequential decision;

3. give the consumer information, if applicable, about the consumer's rights under the Connecticut Data Privacy Act to opt-

out of the processing of the consumer's personal data for purposes of targeted advertising, personal data sales, or profiling to further solely automated decisions that produce legal or similarly significant effects concerning the consumer; and

4. give the consumer the deployer's contact information.

Under the bill, a "high-risk AI system" is a system that, when deployed, makes, or is a substantial factor in making, a consequential decision. The following are not considered high-risk AI systems unless the technology, when deployed, makes, or is a substantial factor in making, a consequential decision. This includes any technology that:

1. performs any narrow procedural task that is limited in nature, including any technology that classifies incoming documents into categories, is used to detect duplicate applications among a large number of applications, categorizes documents based on when the documents were received, renames files according to standardized naming conventions, or automates the extraction of metadata for indexing;

2. improves a previously completed human activity and is not a substantial factor in any decision resulting from that human activity, including any technology that improves the language used in previously drafted documents; or

3. detects preexisting decision-making patterns, or deviations from them, following a previously completed human assessment that the technology is not intended to influence or replace without sufficient human review, including any technology that analyzes a particular decision-maker's preexisting decisions or decision-making patterns and designates any decision as potentially inconsistent or anomalous.

Additionally, the following technologies are also not considered high-risk AI systems under the same conditions:

1. tools for filtering robocalls or junk or spam e-mail or messages;

2. spell-checking tools;

3. calculators;

4. any Internet or computer network infrastructure optimization, diagnostic or maintenance tool, including any domain name registration, website hosting, content delivery, web caching, network traffic management, or system diagnostic tool;

5. any database, spreadsheet, or similar tool that exclusively organizes data that the person already possesses using the database, spreadsheet, or similar tool;

6. technology used to perform, assist, or administer office support functions and other ancillary business operations, including any technology used to order office supplies, manage meeting schedules, or automate inventory tracking;

7. fraud prevention systems or tools used to prevent, detect, or respond to any unlawful and malicious conduct or to comply with state and federal law; or

8. any technology that communicates with consumers in natural language to give consumers information, referrals, recommendations, or answers to questions, as long as the technology is subject to an acceptable use policy.

Under the bill, a "substantial factor" is a factor that assists in making a consequential decision, is capable of altering a consequential decision's outcome, and is generated by an AI system. It includes any use of an AI system to generate any content, decision, prediction, or recommendation concerning a consumer that is used as a basis to make a consequential decision concerning the consumer.

A "consequential decision" is any decision or judgment that has a material legal or similarly significant effect on providing or denying a consumer of, or the cost or terms of, any:

1. education enrollment or opportunity;

2. employment or employment opportunity;

3. loan, financing, or credit offered or extended to a consumer for any personal, family, or household purpose;

4. state or municipal services to support the continuing state or municipal government agency operations or to provide for the public health, safety, or welfare, including any service provided for Medicare, Medicaid, law enforcement, regulatory oversight, licensing, or permitting; or

5. housing or legal services.

Adverse Decision

If a consequential decision is adverse to the consumer, the deployer must give the consumer a high-level statement about the reasons for the decision and an opportunity to correct the data and appeal the decision.

The high-level statement must disclose the principal reason or reasons for the adverse consequential decision, including the (1) degree to which, and manner in which, the system contributed to the adverse consequential decision; (2) data type that the system processed in making the consequential decision; and (3) data source. Each deployer that is required to provide this statement must do so:

1. directly to the consumer;

2. in plain language;

3. in all languages in which the deployer, in the ordinary course of its business, provides contracts, disclaimers, sales announcements and other information to consumers; and

4. in a format accessible to consumers with disabilities.

The consumer must also be given an opportunity to:

1. correct any incorrect personal data described above and

2. appeal the adverse consequential decision if it is based on any

incorrect personal data, which must, if technically feasible, allow for human review unless providing this opportunity is not in the consumer's best interest, including when a delay might pose a risk to the consumer's life or safety.

Disclosure Not Required

The bill specifies that these provisions should not be construed to require any person to disclose any information that is a trade secret or otherwise protected from disclosure under state or federal law. If a person withholds any information, he or she must send a notice to the consumer disclosing (1) that the person is withholding the information from the consumer and (2) the basis for the person's decision to withhold.

Under the bill, a "trade secret" is information, including a formula, pattern, compilation, program, device, method, technique, process, drawing, cost data, or customer list, that (1) derives actual or potential independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other individuals who can obtain economic value from its disclosure or use and (2) is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

Exemption

The bill's disclosure provisions do not apply to (1) any covered entities or business associates, as defined in HIPAA regulations (e.g., health plans, health care clearinghouses, and health care providers), or (2) any person carrying out a contract with the federal government or agency.

CUTPA

The bill deems any violation of its disclosure provisions aCUTPA violation enforced solely by the attorney general, but it specifies CUTPA's private right of action and class action provisions do not apply to the violation.

By law, CUTPA prohibits businesses from engaging in unfair and

deceptive acts or practices. It allows the DCP commissioner, under specified procedures, to issue regulations defining an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than $10,000, impose civil penalties of up to $5,000**,** enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to $5,000 for willful violations and up to $25,000 for a restraining order violation.

EFFECTIVE DATE: October 1, 2025

§§ 280 & 281 — ROBERTA B. WILLIS SCHOLARSHIPS

Limits the Roberta B. Willis Scholarship Program to only need-based grants and requires OHE to annually notify institutions of their estimated funding for these awards by November 1

The bill limits the Roberta B. Willis Scholarship Program to a need-based grant program by eliminating the program's need and merit-based grant and Charter Oak grant. Specifically, the bill eliminates provisions:

1. on funding the three types of grants by giving up to 80% of program funding for need-based grants; 20% to 30% of program funding or $10 million, whichever is greater, for need and merit-based awards; and at least $100,000 for Charter Oak grants;

2. requiring the Office of Higher Education (OHE) to determine the qualifications for need and merit-based grants based on student aid index and achievement in high school academics or on standardized academic aptitude tests, and make these grants in a higher amount than need-based grants; and

3. requiring OHE to allocate funds to Charter Oak State College to provide grants to students with substantial financial need.

By law, OHE allocates funds to institutions for the need-based awards based on the number of their students with a student aid index

at or below 200% of the maximum student aid index eligible for a federal Pell grant award. Awards are up to $4,500 for full-time students and prorated for part-time students. The bill requires OHE to notify each institution annually by November 1 of the estimated amount of funds allocated to the institution for these awards in the following fiscal year.

The bill also deletes obsolete language and makes other technical changes, including removing the definition of and references to family contribution when calculating the allocation of funds to institutions for the need-based award, which reflects recent changes to the Free Application for Federal Student Aid.

EFFECTIVE DATE: July 1, 2026, except the provision on notifying institutions of their funding for needs-based awards is effective July 1, 2025.

§ 282 — PLAN FOR DOC HEALTH CARE SERVICES

Specifically requires DOC's plan for health care services to ensure that various requirements are met, rather than to include guidelines for implementing them; adds certain components to the plan, including (1) interviewing incarcerated people at intake about their mental health history and (2) providing evidence-based mental health services by a mental health provider or therapist, as needed, within two business days of a determination of need upon intake

Existing law requires the Department of Correction (DOC) commissioner to develop and report on a plan for providing health care services to incarcerated people at DOC correctional institutions. (DOC reported on the plan in early 2023.) The bill requires the commissioner to make certain updates to the plan by October 1, 2025, and to report on it by that date.

Current law requires the plan to include guidelines to implement requirements on a range of issues related to incarcerated peoples' health care, such as initial health assessments, annual physical examinations when clinically indicated, mental health provider staffing, discharge planning, vaccinations, dental services, drug and alcohol use treatment, and specific services for incarcerated women who are pregnant. The bill instead requires the plan to ensure that these requirements are met.

The bill also adds to the plan's mental health-related components,

including requiring a mental health interview at intake and setting a two-business-day deadline for incarcerated people to get mental health services after they are found to need them at intake.

The bill also updates terminology and makes related minor and technical changes.

EFFECTIVE DATE: Upon passage

Mental Health Assessment and Treatment

Under existing law, the plan must require that a medical professional interviews each incarcerated person, at entry, on their drug and alcohol use history. The bill expands this to include the person's mental health history.

Under existing law, if the incarcerated person shows drug or alcohol withdrawal symptoms at that time, a medical professional must do a physical assessment and communicate the results to a physician, physician assistant, or advanced practice registered nurse (APRN). The bill also requires this if the person shows signs of mental distress. In either case (withdrawal or mental distress), it additionally requires the professional to (1) do a mental health assessment and (2) when applicable, communicate the results to a mental health care provider or therapist.

When an incarcerated person, at intake, is determined to need mental health services, the bill requires that a mental health care provider or therapist, as needed, provide the person with evidence-based interventions. This must occur within a reasonable time after this determination, but no later than two business days after it. A mental health care provider or therapist must then periodically evaluate the person as needed.

As under existing law, "mental health care providers" for these purposes are psychiatrists or APRNs specializing in mental health. "Mental health therapists" are psychiatrists, psychologists, APRNs specializing in mental health, clinical or master social workers, or professional counselors.

Under existing law, the plan must include certain other requirements related to mental health care. For example, there must be enough mental health therapists at each correctional institution to provide mental health care services to incarcerated people. In addition, when an incarcerated person requests, or correctional staff refers the person to, these services, a therapist must do an assessment to determine whether the services are needed before providing them.

Reporting Requirement

The bill requires the DOC commissioner, by October 1, 2025, to report to the Judiciary and Public Health committees on the updated plan along with recommendations for any legislation needed to implement it and an implementation timeline.

§ 283 — DOC PALATABLE MEALS AND BAN ON NUTRALOAF

Requires the DOC commissioner to provide palatable and nutritious meals to people in department custody; bans nutraloaf or other diets as a form of discipline

The bill requires the DOC commissioner to provide palatable and nutritious meals to everyone in the department's custody. It also bars him from allowing anyone to be fed (1) nutraloaf as a form of discipline or (2) any other diet used for punishment purposes. Under the bill, "nutraloaf" is a mixture of foods blended together and baked into a solid loaf.

EFFECTIVE DATE: October 1, 2025

§ 284 — MEDICAL RECORDS AUTHORIZATION FOR INCARCERATED INDIVIDUALS

Requires the DOC commissioner to ensure that everyone in the department's custody is given a form allowing them to authorize someone else to access their medical records that would otherwise be subject to nondisclosure under HIPAA

The bill requires the DOC commissioner to ensure that everyone in DOC custody is given a form allowing them to authorize someone else to access their medical records that would otherwise be subject to nondisclosure under HIPAA.

Generally, HIPAA's "Privacy Rule" limits the circumstances under which health care providers or other covered entities can use or disclose

someone's individually identifiable health information without the written consent of the person or the person's representative.

EFFECTIVE DATE: October 1, 2025

§ 285 — CORRECTIONAL CENTER RELOCATION STUDY

Requires the DAS and DOC commissioners to study the feasibility of relocating correctional centers in Bridgeport and New Haven

The bill requires the Department of Administrative Services (DAS) commissioner, in consultation with the DOC commissioner, to study the feasibility of relocating the Bridgeport and New Haven (Whalley Avenue) correctional centers to locations that would reduce the impact on neighborhoods. The study must (1) assess the practicality and potential impacts of the proposed relocations and (2) list potential relocation sites, including advantages and disadvantages compared to the current sites.

Under the bill, the DAS commissioner must submit the study to the Judiciary Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

§ 286 — DOC STAFFING LEVELS AND RECRUITMENT

Requires the DOC commissioner to (1) ensure that the department's correctional facilities are sufficiently staffed to protect the safety of everyone at or visiting the facility and (2) develop and implement a program to recruit and retain correctional officers

The bill requires the DOC commissioner to ensure that each correctional facility under his jurisdiction is staffed at a level to protect the safety of staff, visitors, contractors, and incarcerated people. It also requires him, by January 1, 2026, to develop and actively use a program for correctional officer recruitment and retention.

Starting by January 1, 2027, the commissioner must annually report to the Judiciary Committee on efforts to comply with these requirements, including any shortcomings in doing so. The report may include recommendations for additional resources needed to comply.

EFFECTIVE DATE: October 1, 2025

§ 287 — DOCUMENTING ASSAULTS AGAINST CORRECTIONAL STAFF

Requires the DOC commissioner to develop a protocol to fully document assaults by incarcerated people against correctional staff

The bill requires the DOC commissioner to develop a protocol to fully document any assault by incarcerated people against correctional staff. Starting on October 1, 2025, DOC must fully document these assaults under the protocol.

EFFECTIVE DATE: Upon passage

§§ 288 & 289 — REPORTS ON STRIP OR CAVITY SEARCHES

Requires DOC to annually report on strip and cavity searches in correctional institutions and report on an evaluation of related directives and procedures

The bill establishes an annual reporting requirement for the DOC commissioner on strip and cavity searches of incarcerated people in DOC facilities. The report must include (1) how many of these searches occurred in the prior year in each facility; (2) if there were any lawsuits filed about the searches in the year immediately before the report, with the status or outcome of each; and (3) a copy of the current policy for doing these searches, including any training requirements for correctional officers. The first report is due by January 1, 2027, to the Government Oversight and Judiciary committees.

Additionally, the bill requires the DOC commissioner to submit a report by February 15, 2027, to the Government Oversight and Judiciary committees that evaluates current directives and procedures for strip and cavity searches in the state's correctional institutions. The evaluation must compare the directives and procedures to those of other northeastern states and federal policies, based on institution type, and highlight any differences.

EFFECTIVE DATE: Upon passage

§ 290 — CORRECTION OMBUDS ACCESSING MEDICAL RECORDS

Requires the correction ombuds, before accessing an incarcerated person's medical record, to give the person prior notice of the reasons for doing so

Under the bill, if the correction ombuds intends to access an

incarcerated person's medical record, the ombuds must first tell the person the reason why he is doing so.

EFFECTIVE DATE: Upon passage

§§ 291-296 — SEX OFFENDER ADDRESS VERIFICATION

Extends the deadline for registered sex offenders to verify their address with DESPP, lowers the criminal penalty for a registrant's unintentional failure to do so, and makes related changes

Existing law generally requires registered sex offenders to verify their residential address every 90 days by returning a form provided by the Department of Emergency Services and Public Protection (DESPP).

Principally, the bill:

1. lowers, from a felony to a misdemeanor, the penalty for a registrant's unintentional failure to return the form and prohibits these misdemeanors from being grounds to revoke the person's parole, special parole, or probation;

2. extends, from 10 to 20 days, the deadline for registrants to return or submit the form; and

3. allows offenders who did not receive the verification form to get it from DESPP, and gives them 20 days after the violation to return or submit it.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

Deadlines

Under Connecticut's sex offender registration law, certain offenders must register with DESPP for a specified period, generally starting (1) when they are released into the community or (2) for people with convictions from other jurisdictions, when they move to the state. (DESPP can suspend the person's registration and corresponding address verification while a person is incarcerated, under civil commitment, or living in another state.)

By law, DESPP verifies the reported in-state residential address of registrants by sending non-forwardable verification forms to the listed address every 90 days. The bill extends, from 10 to 20 days after DESPP sends the form, the deadline for registrants to return the forms, and specifies that this date is calculated from when the DESPP mailing was postmarked. The bill also allows registrants who do not receive the DESPP form to get one from the department, and gives them 20 days after the violation to return it.

By law, registrants must return the forms by mail, email, or fax.

Penalty for Failure to Return or Submit the Form

Under current law, failure to return sex offender address verification forms as required is a class D felony, punishable by up to five years in prison, a fine of up to $5,000, or both. The bill generally lowers the penalty to a class A misdemeanor, punishable by up to 364 days in prison, a fine of up to $2,000, or both, for registrants who cannot show that they returned or submitted the form as required.

The bill also generally makes it a class A misdemeanor if a registrant, after not receiving the DESPP form, gets one but then fails to return or submit it within 20 days after the violation.

The bill prohibits these class A misdemeanors from being grounds to revoke someone's parole, special parole, or probation.

Under the bill, the intentional failure to submit or return the form continues to be a class D felony. As under existing law, it is also a class D felony if a registrant fails to notify DESPP about an address change within five business days.

Existing law requires DESPP to notify the local police department or appropriate state police troop if a registrant fails to return the address verification form. The local or state police, in turn, must apply for an arrest warrant.

§§ 297 & 298 — SOLAR PHOTOVOLTAIC FACILITY EMERGENCY PREPAREDNESS PROGRAM

Requires the DESPP commissioner to establish a solar photovoltaic facility emergency preparedness program; establishes an account to fund this program and specifies it must contain any federal reimbursements or grants related to the preparedness program

The bill requires the DESPP commissioner to establish and administer a solar photovoltaic facility emergency preparedness program (for facilities with a generating capacity of more than one megawatt) and creates an account to fund the program's activities.

EFFECTIVE DATE: October 1, 2025

General Fund Account

The bill requires the Connecticut Siting Council to establish a solar photovoltaic facility emergency preparedness account, as a separate, nonlapsing account within the General Fund. Any federal reimbursements and grants received in support of DESPP's solar photovoltaic facility emergency preparedness program (see below) must be credited to the account. The treasurer must invest the funds and return any earned interest to the account.

Emergency Preparedness Program

The bill requires the DESPP commissioner to establish and administer a solar photovoltaic facility emergency preparedness program to (1) develop solar photovoltaic facility emergency response plans and (2) provide training and equipment to emergency response personnel in connection with these plans. Within available funds, the program must include:

1. development of a detailed solar photovoltaic facility emergency response plan for areas surrounding each facility,

2. annual training of state and local emergency response personnel concerning emergency responses to fires or other hazards located at or near these facilities,

3. development of accident scenarios and exercises for solar photovoltaic facility emergency response plans, and

4. provision of specialized response equipment necessary to respond to such emergencies.

The bill requires the DESPP commissioner, in conjunction with the energy and environmental protection (DEEP) commissioner, to use the money in the account for the program. They must do so in accordance with an Office of Policy and Management (OPM)-approved plan.

OPM Approval of Spending Plan

By May 1 annually, the DESPP commissioner, in consultation with DEEP commissioner, must submit to the OPM secretary a plan for carrying out the purposes of the emergency preparedness program over the following fiscal year. The plan must include proposed itemized expenditures for the program.

The secretary must review the plan and if it conforms to the bill's requirements, approve it by June 1 annually.

§§ 299 & 300 — CERTIFICATE OF NEED FOR HEALTH CARE ENTITIES

Expressly allows OHS, when reviewing CON applications for certain hospital ownership transfers that require a cost and market impact review, to consider the review's preliminary and final reports and other specified materials; modifies the definition of "termination of services" for CON purposes to include the termination of any services for a combined total of more than 180 days within a consecutive two-year period

The bill modifies the state's certificate of need (CON) program for health care entities administered by the Office of Health Strategy's (OHS's) Health Systems Planning Unit (HSPU). Under the program, health care entities must generally receive CON approval when establishing new facilities or services, changing ownership, acquiring certain equipment, or terminating certain services.

Existing law requires the state to conduct a cost and market impact review (CMIR) of CON applications that propose to transfer a hospital's ownership if the purchaser is (1) an in- or out-of-state hospital or a hospital system that had net patient revenue exceeding $1.5 billion for FY 13 or (2) organized or operated for profit. An independent consultant that OHS retains conducts the review, at the applicant's expense.

The bill expressly authorizes HSPU, when reviewing these CON applications, to consider the CMIR preliminary report and the response to it, the final report, and the parties' written comments on the report. It

prohibits HSPU from placing the preliminary report in the public record until the transacting parties have had an opportunity to respond to its findings.

Additionally, the bill expands the definition of "termination of services" for CON purposes to include the termination of any services for a combined total of more than 180 days within a consecutive two-year period, instead of a period greater than 180 days, as under current law.

EFFECTIVE DATE: Upon passage for the provision changing the definition of "termination of services" and October 1, 2025, for the provision on CMIR reports.

§§ 301-311 — REPRODUCTIVE AND GENDER-AFFIRMING HEALTH CARE SERVICES

Subjects covered entities' business associates to existing law's disclosure limitations; requires the entities and business associates to notify the attorney general when they receive a subpoena for certain patient information; specifies that gender-affirming health care services do not include conversion therapy for anyone under age 18

The bill makes several changes to state laws that generally shield health care providers and recipients who lawfully engage in reproductive or gender-affirming health care services in Connecticut from liability imposed by another state by allowing them to seek recovery of damages in an action here.

Specifically, the bill:

1. subjects covered entities' business associates to existing law's limitations on disclosing communications or information without consent from a patient or patient's authorized legal representative;

2. requires these entities and associates to notify the attorney general when they receive a subpoena for certain patient information on reproductive or gender-affirming health care services; and

3. specifies that gender-affirming health care services do not

include any practice or treatment administered to someone under age 18 to change the person's sexual orientation or gender identity, including efforts to change gender expression or to eliminate or reduce sexual or romantic attraction or feelings towards people of the same gender ("conversion therapy").

Under the bill, "gender-affirming health care services" means all supplies, care, and services of a medical, behavioral health, mental health, surgical, psychiatric, therapeutic, diagnostic, preventative, rehabilitative or supportive nature, including medication that treat gender dysphoria and gender incongruence, rather than medical care set out in certain specified publications as under current law.

Lastly, the bill makes minor, technical, and conforming changes, including (1) explicitly including assisted reproduction in the nonexclusive list of covered reproductive health care services and (2) merging the state's separate laws that protect reproductive and gender-affirming health care services providers from this liability.

EFFECTIVE DATE: July 1, 2025

Subpoena for Patient Information

Business Associates. Existing law prohibits, with certain exceptions, HIPAA-covered entities (generally, health care plans or payors, clearinghouses, and providers) from disclosing specified information about these health care services in a civil action (or a preliminary proceeding before it), or a probate, legislative, or administrative proceeding. Without explicit written consent from the patient or patient's authorized legal representative (e.g., conservator or guardian), communications made to a covered entity or obtained by it from the patient or representative cannot be disclosed.

The bill extends this prohibition to covered entities' "business associates," which are generally those who perform functions or activities on behalf of, or provide services to, the covered entity that involves accessing or using protected health information.

Attorney General Notification. Under the bill, within seven days

after receiving a subpoena for patient information related to reproductive or gender-affirming health care services that is not exempt from disclosure and does not have written consent from the patient or patient's authorized legal representative, covered entities and their business associates must give the attorney general a copy of it.

The bill requires the attorney general to post information about how the entities and associates may send the copy.

§ 312 —TRANSFER STATION PERMITS AND LICENSES

Establishes conditions under which the owner or operator of a specified transfer station may continue to operate and accept municipal solid waste, including recyclables, while its commercial transfer station permit application is pending before DEEP; requires that MIRA Dissolution Authority's transfer station permits and licenses be transferred to Essex and remain in effect when the transfer station's ownership or operation transfers from the MIRA Dissolution Authority to the town

The bill establishes conditions under which the owner or operator of a specified transfer station may continue to operate and accept municipal solid waste, including recyclables, while its commercial transfer station permit application is pending before the Department of Energy and Environmental Protection (DEEP).

The bill's provisions apply to the owner or operator of a transfer station that, on May 1, 2025, was:

1. owned or operated by the Materials Innovation and Recycling Authority (MIRA) Dissolution Authority,

2. registered under a general permit for a municipal transfer station, and

3. accepting municipal solid waste, including recyclables.

Under the bill, this owner or operator may also accept and charge to accept municipal solid waste, including recyclables, generated in or outside municipalities that have contracts with the transfer station for municipal solid waste disposal until the later of (1) July 1, 2027, or (2) the DEEP commissioner issuing a final decision on an application for any permit needed to operate the transfer station as a commercial transfer station. But this authorization only applies if:

1. the municipal solid waste accepted by the transfer station was generated in a municipality that was a MIRA member, or part of a regional authority that was a member, on January 1, 2022;

2. the transfer station remains in compliance with all other applicable requirements of its general permit; and

3. the owner or operator, by July 1, 2026, submits a complete application to the DEEP commissioner for any permit necessary to operate the transfer station as a commercial transfer station.

Under the bill, the DEEP commissioner must expedite any application filed under these provisions and cannot withhold a permit unreasonably. While the application is pending, the transfer station's owner or operator may continue to accept municipal solid waste, including recyclables.

Lastly, the bill requires, when the ownership or operation of a transfer station transfers from the MIRA Dissolution Authority to the town of Essex, the authority's permits or licenses to also transfer to Essex and continue to be in full force and effect. Under the bill, this requirement applies regardless of the existing laws on DEEP license transfers.

EFFECTIVE DATE: July 1, 2025

§§ 313-316 — ABSENTEE VOTING PROCEDURES FOR ELIGIBLE INCARCERATED INDIVIDUALS

Creates specific procedures for incarcerated individuals to apply for, receive, and cast absentee ballots

The bill simplifies the process for people in state custody to vote by absentee ballot, if they retain their voting rights while in custody.

Generally, if a person is convicted of a felony, the person forfeits the right to vote for the duration of his or her incarceration. However, certain people may still be eligible to vote while in custody, such as those (1) serving a prison sentence for a misdemeanor or (2) confined in a community residence (such as a halfway house).

Under existing law, in order to apply for and cast an absentee ballot, a voter must be unable to appear at his or her designated polling place on election day due to, among other reasons, absence from their city or town during all voting hours. Current law specifies that an eligible voter being held in state custody at a community correctional center or a correctional institution is deemed absent from their town, even if the center or institution is in the voter's town. The bill explicitly extends this to eligible voters in state custody being held in any DOC facility.

The bill requires the secretary of the state to create absentee ballot application forms for use by eligible voters within DOC facilities and to provide these forms to DOC. It also creates procedures for distributing and processing these applications. (Currently, incarcerated voters must apply in writing to the municipal clerk for an absentee ballot.)

The bill also makes technical and conforming changes.

EFFECTIVE DATE: January 1, 2026

Absentee Ballot Form Requirements

The bill specifies that the ballot application the secretary creates must include spaces for the following information:

1. the applicant's signature and printed or typed name;

2. the signature of any person who assisted the applicant in completing the application as well as their printed or typed name, residential address, and telephone number; and

3. a mailing address within a DOC facility.

The form must be signed by the applicant and, if applicable, any assistant under the penalty of false statement in absentee balloting. By law, false statement in absentee balloting is a class D felony, punishable by up to five years in prison, up to a $5,000 fine, or both (CGS § 9-359a).

These forms must be consecutively numbered, clearly and conspicuously note the year the application is authorized for, and indicate they are only for the use of an applicant incarcerated in a DOC

facility. Further, the bill specifies that the applicant must provide a mailing address within a DOC facility in order to receive an absentee ballot.

The bill's requirements for the DOC-specific form are similar to those for absentee ballots under existing law.

Processing Applications

Under existing law, absentee ballots and ballot applications must generally be submitted to the municipal clerk where the applicant is eligible to vote. Under the bill, any DOC employee who distributes applications must promptly file completed absentee ballot applications he or she receives with the municipal clerk. The same filing requirement applies under existing law to others who distribute ballots and receive completed ones.

The clerk must maintain a log of applications received from incarcerated applicants, including, for each, (1) the applicant's name and address; (2) the date the application was received; and (3) as applicable, the date the clerk mailed the ballot or the reason for rejecting the application. The bill requires municipal clerks to reject any application made on the DOC-specific form that indicates an address other than a DOC facility.

If an applicant included a DOC facility mailing address but is subsequently transferred to another DOC facility, the correction commissioner must ensure the absentee ballot's delivery to the applicant.

Correction Employee Exemptions

Under existing law, a person distributing absentee ballot applications generally must comply with certain requirements. The bill exempts DOC employees from the following requirements when providing incarcerated voters with applications:

1. registering with the municipal clerk before distributing five or more applications for an election, primary, or referendum to individuals other than their immediate family; and

2. maintaining and filing with the municipal clerk a list of names and addresses of any individuals to which they distribute applications.

§ 317 — ADDITIONAL EARLY VOTING LOCATIONS ON CERTAIN COLLEGE CAMPUSES

Requires municipalities with 1,000 or more students living on a college campus or institutional housing in the municipality to establish an additional early voting location on campus

By law, municipalities are required to establish at least one early voting location for voters to cast their votes in-person during an election's or primary's early voting period. The bill requires registrars to designate an additional early voting location on a campus of a constituent unit of higher education in a municipality, regardless of its size, if at least 1,000 students live on campus or in institution-owned, -operated, or -affiliated housing.

Like the required early voting location, the added location must be able to connect to the Centralized Voter Registration System and be certified by the secretary. By law, constituent units are (1) UConn and its campuses and (2) the Connecticut State Colleges and Universities (which includes the Connecticut State University System, the regional community-technical colleges, and Charter Oak State College).

EFFECTIVE DATE: July 1, 2025

§ 318 — SAME-DAY ELECTION REGISTRATION PROOF OF RESIDENTIAL ADDRESS

Allows same-day election registration applicants to prove their residential address through the sworn testimony of another elector

Under current law, a person may apply to register to vote through same-day election registration (SDR) by appearing in person at a designated SDR site on election day before the polls close or during the early voting period, declaring under oath that he or she has not previously voted in this election, and applying for admission as outlined in state law.

As part of the application, a voter must provide certain information to the admitting official, including his or her name, bona fide residence

by street and number, and birthdate, among other things.

Under current law, applicants who do not provide their residential address may submit identification showing it, such as a learner's permit, a recent utility bill, or for college students, a registration or fee statement from the institution they attend. The bill additionally allows applicants to prove their residential address by the testimony under oath of another elector.

EFFECTIVE DATE: July 1, 2025

§§ 319 & 320 — CURBSIDE VOTING

Requires the designation of a specific curbside voting area at polling locations; restricts certain election-related activities from occurring within or nearby this area; requires the secretary of the state to adopt related regulations

The bill makes several changes to the curbside voting law, including adding several prohibitions related to using curbside voting. It also makes conforming changes.

Under current law, if a voter cannot access his or her polling place due to a temporary incapacity, the registrars of voters or the assistant registrars of voters must take a ballot out to the voter. After showing any required identification, the voter may mark their ballot and return it to the registrars to be cast. The bill (1) eliminates the requirement that the voter's incapacity be temporary in order to use curbside voting and (2) requires the registrars of voters to designate a specific area for curbside voting to occur.

Separately, the bill prohibits any person within a marked radius of 20 feet of the designated curbside voting area from (1) soliciting on behalf of or in opposition to any candidate or any question on the ballot or (2) loitering, peddling, or offering any advertising matter, ballot, or circular.

Additionally, no person may be in a vehicle being used by a person casting a ballot in the designated area unless they are casting a vote or driving the voter. Further, a candidate may never be in the vehicle unless he or she is casting his or her own vote.

The bill requires the secretary of the state to adopt regulations to implement these provisions. She must include a model plan that municipalities may adopt.

A violation of these provisions, including the removal or injury to any marker the bill requires, is a class C misdemeanor, punishable by up to three months in prison, up to a $500 fine, or both.

As with similar prohibitions under state law, these provisions do not prohibit (1) certain school-connected organizations from holding bake sales or other fundraising activities on election day other than where the election booths are located in a school, (2) election officials from distributing "I Voted Today" stickers, or (3) registrars from jointly permitting nonpartisan activities in a room other than where the election booths are located.

EFFECTIVE DATE: January 1, 2026

§§ 321 & 322 — ELECTION-RELATED TRANSLATIONS

Establishes the Translation Advisory Committee to evaluate translated municipal election-related materials and sets membership and eligibility requirements

Translation Advisory Committee

The bill creates a Translation Advisory Committee within the secretary of the state's office for (1) validating the translation of election-related materials for accuracy, (2) ensuring they meet the intended audience's needs in a culturally responsive and linguistically appropriate way, and (3) making recommendations to the secretary and municipal officials on related matters. The secretary may adopt regulations to carry out these purposes.

The secretary must appoint its members by August 1, 2025, from those who apply and submit a writing sample. The committee's members must:

1. be state residents,

2. have experience in municipalities served by translated election-related materials (see below),

3. be proficient in reading and writing in English and at least one other language dialect spoken in Connecticut that federal or state law requires election-related materials to be translated to, and

4. have experience in either (a) election administration (such as serving as a poll worker) or (b) bilingual educational settings or community assistance programs.

Under the bill, members serve a four-year term, or until their successor is appointed and has qualified, and may not be compensated or receive mileage reimbursement. The committee must meet (1) at least quarterly and (2) as frequently as needed to timely approve translated election-related materials before elections, primaries, and referenda.

Starting by January 15, 2027, the committee must biennially submit a report on its proceedings to the secretary, including any recommendations for improving its performance.

Submission of Election-Related Materials

The bill requires each municipality required by law to make election-related materials available in non-English languages to (1) use professional translators when translating these materials and (2) submit these materials to the Translation Advisory Committee as soon as practicable, but no later than 65 days before an election, primary, or referendum. Under the bill, a "professional translator" means a person with (1) an academic certificate or degree in translation from an accredited higher education institution or (2) certification as a translator from a professional association or other accrediting organization.

EFFECTIVE DATE: January 1, 2026, except provisions creating the committee are effective July 1, 2025.

Background — Language Translation Under the State and Federal VRAs

The federal Voting Rights Act (VRA) generally requires certain municipalities to provide language assistance during elections for certain language minority groups based on specified English proficiency population thresholds. In Connecticut, 10 municipalities are

currently federally required to provide this assistance (in Spanish).

The state's VRA also requires municipalities to provide language-related assistance based on specified population metrics. According to the secretary of the state's website, under the law, an additional 23 municipalities are currently required to provide language-related assistance (in Spanish).

§ 323 — CHANGES TO ECS GRANT PHASE-IN SCHEDULE

Delays by two years the start of an ECS schedule to phase-in grant reductions for overfunded towns; holds these towns harmless for FYs 26 and 27

By law, the Education Cost Sharing (ECS) grant has a multi-year phase-in schedule of (1) incremental increases for towns that are underfunded and (2) incremental decreases, or years with no change in funding, for overfunded towns. The ECS grant is the state's single largest grant for municipalities.

The bill delays by two years the start of an existing statutory ECS schedule to phase-in grant funding reductions for overfunded towns. It holds these towns harmless (i.e. maintaining the same funding level) for FYs 26 and 27. The decreased funding for overfunded towns starts in FY 28, rather than FY 26 as under current law. It maintains the same schedule of decreases as under current law for each year once the decreases begin, with larger decreases in each following year until the overfunded towns are at their full-funded level.

The bill leaves unchanged the existing provision that begins to fully-fund the underfunded towns in FY 26.

EFFECTIVE DATE: July 1, 2025

Determining Grant Increases and Decreases

When determining ECS grant increases or decreases, the formula uses a town's "grant adjustment," which is the absolute value of the difference between a town's ECS grant amount for the previous fiscal year and its fully funded grant amount. So, for underfunded towns, the grant adjustment is the amount needed to reach the fully funded level; for overfunded towns, it is the amount the town is funded in excess of

its fully funded grant.

The grants are based on student enrollment, added student weight for characteristics such as the number of students eligible for free or reduced priced school meals, and town wealth. Towns may be overfunded from one year to the next because hold-harmless provisions were in effect in previous years when a town would otherwise see a decrease in funding due to lower school enrollment or an increase in its town wealth or due to other changes.

ECS Funding Changes for Overfunded Towns

The table below shows the bill's changes for FYs 26-34.

Table: ECS Funding Schedule Changes for Overfunded Towns, FYs 26-34

Fiscal Year	***Overfunded Towns***	
	Current Law	Bill
26	Previous FY amount minus 14.29% of its grant adjustment	Same amount as in FY 25
27	Previous FY amount minus 16.67% of its grant adjustment	Same amount as in FY 26
28	Previous FY amount minus 20% of its grant adjustment	Previous FY amount minus 14.29% of its grant adjustment
29	Previous FY amount minus 25% of its grant adjustment	Previous FY amount minus 16.67% of its grant adjustment
30	Previous FY amount minus 33.33% of its grant adjustment	Previous FY amount minus 20% of its grant adjustment
31	Previous FY amount minus 50% of its grant adjustment	Previous FY amount minus 25% of its grant adjustment
32	Fully funded	Previous FY amount minus 33.33% of its grant adjustment
33	Fully funded	Previous FY amount minus 50% of its grant adjustment
34 and all following years	Fully funded	Fully funded

§ 324 — LOCAL FOOD FOR SCHOOLS INCENTIVE PROGRAM (LFSIP) CHANGES

Makes various changes to LFSIP, including expanding the program to child care providers, making SDE the lead administering agency, and creating preferences for historically underserved farmers

The bill makes several changes to the Local Food for Schools Incentive Program (LFSIP), which gives reimbursements for purchasing locally or regionally sourced food to be used for eligible meal programs (see *Background — Local Food for Schools Incentive Program*).

First, it expands the program to child care providers (i.e. licensed child care centers, group child care homes, and family child care homes) that have meal programs. Currently, only local or regional boards of education participating in the National School Lunch Program are eligible.

The bill makes the State Department of Education (SDE), rather than the Department of Agriculture (DoAg), the lead agency responsible for administering the program; and DoAg, rather than SDE, the consulting agency. In practice, the program is currently implemented collaboratively between the two agencies, according to a memorandum of understanding outlining each agency's responsibilities.

Under the bill, SDE must use at least 20% of LFSIP's annual appropriation to engage with external partners to provide supplemental services, including school nutrition or farm-to-school consultants, technical assistance, outreach, training, or evaluation related to the core elements of farm-to-school programs (e.g., procurement, processing, preparation, serving, and education of locally- and regionally-sourced food). The bill eliminates a provision in current law authorizing supplemental LFSIP grants that schools could use to pay for similar supplemental services; current law gives priority for these grants to alliance districts.

The bill also (1) allows SDE to give preference to historically underserved farmers, rather than socially disadvantaged farmers as under current law; (2) specifies that food must be used in an eligible meal program to be eligible for reimbursement; and (3) makes numerous technical and conforming changes.

EFFECTIVE DATE: July 1, 2025

Preference for Certain Farmers

By law, LFSIP implementation guidelines must promote geographic, social, economic, and racial equity. To that end, current law allows the administering agency to include a preference for socially disadvantaged farmers. The bill instead allows this preference to be given to historically underserved farmers.

Under federal and state law, a "socially disadvantaged farmer" is one who is part of a group whose members have been subjected to racial or ethnic prejudice due to their identity as members of the group without regard to their individual qualities. Generally, the U.S. Department of Agriculture considers the following to be "historically underserved farmers": beginning farmers, limited resource farmers, socially disadvantaged farmers, and veteran farmers. Existing law, unchanged by the bill, also allows the agency to give preference to small farm businesses.

Background — Local Food for Schools Incentive Program

LFSIP gives reimbursements to eligible entities (currently, school boards) that purchase locally or regionally sourced food to be used in an eligible meal program. Locally sourced foods are eligible for 50% reimbursement, and regionally sourced foods are eligible for 30% reimbursement.

Food purchases eligible for reimbursement are produce and farm products grown or produced at or sold by farms located in, and that have a traceable point of origin within, (1) Connecticut (local farms) or (2) New England or New York (regional farms). They include value-added dairy, fish, pork, beef, poultry, eggs, fruits, vegetables, and minimally processed foods.

§ 325 — RETIRED TEACHERS' HEALTH INSURANCE

Reduces the state's share of TRB retired teacher health insurance costs for FY 26

By law, annual premiums for the basic Teachers' Retirement Board (TRB) plan are split equally among the (1) General Fund, (2) retired

teacher, and (3) retired teachers' health insurance premium account. (The account is funded by active teachers who contribute 1.25% of their salaries to it.) For FY 26, the law reduces the state's share from one-third to 25%.

For retired teachers covered under local board health plans, the law requires the TRB to give the local boards a monthly subsidy to offset retired teachers' local plan premiums. By law, the state General Fund pays one-third of the subsidy and the retired teachers' health insurance premium account generally pays the remainder. For FY 26, the bill reduces the state's contribution to 25%.

EFFECTIVE DATE: Upon passage

§§ 326-330 — REQUIREMENT TO PROPORTIONATELY REDUCE SPECIFIED EDUCATION GRANTS

Extends the requirement that certain education grants be proportionately reduced if the amount appropriated for them does not fully fund them according to their statutory formulas

The bill extends the requirement that certain education grants to school boards or regional education service centers (RESCs), as applicable, be proportionately reduced if the amount appropriated for the grants does not fully fund them according to their statutory formulas. Under current law, this requirement generally applies through FY 25 (except for adult education grants, which are not currently subject to this requirement). The table below lists the grants that must be reduced and the fiscal years in which the requirement applies.

Table: Grants Subject to Reduction and Applicable FYs

Grant	*Applicable FYs*
Adult education programs (CGS § 10-71)	FY 26
Health services for private school students (CGS § 10-217a)	FY 26
School transportation (CGS § 10-266m)	Permanent
RESC operations (CGS § 10-66j)	FY 26 & 27
Bilingual education (CGS § 10-17g)	FY 26 & 27

EFFECTIVE DATE: July 1, 2025

§§ 331 & 332 — CHOICE PROGRAM GRANTS FOR MAGNET SCHOOLS AND VO-AG CENTERS

Makes permanent the choice program grants for interdistrict magnet schools and vo-ag centers, which are set to expire at the end of FY 25; adds a new method to determine FY 24 grants for newly established magnet schools that begin operating on or after July 1, 2024

The bill makes permanent the choice program grants for interdistrict magnet schools and regional agricultural science and technology centers (i.e. "vo-ag centers"), which are set to expire at the end of FY 25 in current law.

The bill also adds a method to determine grants for newly established magnet schools that begin operating on or after July 1, 2024. By law, the grant uses the per student amount that a magnet school operator received in FY 24 (as the law existed prior to the choice program grants) as a base amount to then determine the FY 25 grant.

For magnet schools that began on or after July 1, 2024, the per student amount for the choice grant calculation under the bill will use the per student grant amount received by existing magnet school program operators under the choice grant in the same region of the state as determined by the education commissioner. The choice grant calculation also uses the FY 24 per student grant amount for a hold-harmless provision that ensures no magnet school will receive less under the choice program than it did under the old magnet school grants.

This applies to magnet schools operated by school boards or by entities that are not a board of education, such as an independent institution of higher education.

By law, an interdistrict magnet school must (1) enroll no more than 75% of its students from the same district with at least 25% coming from other districts; (2) maintain an enrollment that meets state standards for a reduced-isolation setting; and (3) support racial, ethnic, and economic diversity, among other requirements. The state's vo-ag centers serve high school students from multiple sending towns and provide an agricultural career education in addition to the comprehensive high school education.

It also makes conforming changes, including to certain definitions.

EFFECTIVE DATE: July 1, 2025

Background — Choice Program Grant Formula

The choice program grants use student need weightings that mirror the weighting for education cost sharing grants and charter school grants. This gives additional weight to students eligible for free or reduced-priced meals or free milk or designated as English language learners. By doing this, these grants give additional funding for students meeting those criteria. The choice program grants, first enacted for FY 25, marked the first time the state provided student need weightings to the magnet school and vo-ag grants.

§ 333 — ADVANCED AND DUAL CREDIT COURSES

Charges SDE with administering funds for two programs to support advanced and dual credit courses and programs within available appropriations

Starting in FY 27, the bill charges SDE with administering funds for two programs to support advanced and dual credit courses and programs within available appropriations.

Specifically, the bill requires SDE to create a fee-waiver grant program to expand opportunities for high-need high school students to access advanced courses or programs. School boards may apply to SDE, as the commissioner requires, to be reimbursed for any fees the board is charged for high-need students who enroll in advanced courses or programs (e.g., honors classes, advanced placement (AP) classes, dual enrollment, or dual credit).

The bill also allows SDE to pay SERC up to $500,000 per fiscal year for programming that directly supports school boards in articulating and expanding dual credit courses. SERC must prioritize alliance districts when spending any funds it receives.

EFFECTIVE DATE: July 1, 2025

§ 334 — REMOVAL OF GENERAL ADMINISTRATIVE PAYMENT FOR CERTAIN BIRTH-TO-THREE PROVIDERS

Eliminates the requirement for OEC to pay certain Birth-to-Three early intervention service providers a general administrative payment for each child with an IFSP

The bill removes a current provision requiring the Office of Early Childhood (OEC) to pay Birth-to-Three early intervention providers a general administrative payment equal to $200 for each child (1) with an individualized family service plan (IFSP) on the first day of the billing month and (2) whose plan accounts for less than nine service hours during the billing month, as long as the provider delivers at least one service.

EFFECTIVE DATE: July 1, 2026

§ 335 — ELIMINATION OF OEC BEING UNDER SDE

Eliminates the provision placing OEC under SDE, conforming to current practice

The bill eliminates the provision placing the OEC under SDE for administrative purposes only, conforming to current practice.

EFFECTIVE DATE: July 1, 2025

§ 336 —MAGNET SCHOOL TRANSPORTATION GRANTS

Changes the (1) calculation for certain Sheff magnet school transportation grants by eliminating the per-pupil calculation and the supplemental grants structure, instead basing the grants on actual costs of transportation services and (2) payment schedule for all magnet school transportation grants

The bill changes the calculation for transportation grants to certain magnet schools that help the state meet its obligations under the *Sheff* v. *O'Neill* desegregation court decision (see *Background — Sheff v. O'Neill*). Under current law, SDE awards (1) Sheff magnet school transportation grants in an amount equal to $2,000 per pupil, and (2) supplemental Sheff magnet school transportation grants provided to RESCs within available appropriations. (Non-Sheff magnet school transportation grants are calculated based on $1,300 per pupil.)

Starting with FY 26, the bill eliminates the supplemental grant and the per-pupil calculation for RESCs, instead requiring that their Sheff magnet transportation grant amounts equal the cost of reasonable transportation services. It subjects the grant to a comprehensive financial review, which must be done by an auditor the education commissioner selects and paid out of the grant funds. This is the same

audit requirement that applies currently to the supplemental grants.

Starting with FY 26, the bill also changes the payment schedule for the grants. Currently, up to 95% of the grant must be paid by June 30 of that fiscal year based on documentation provided before May 31, with the remainder paid after the fiscal year upon the financial review's completion. The bill (1) changes the date the remainder is due from September 1 to March 1 following the fiscal year's and review's completion and (2) additionally specifies that up to 50% of the estimated transportation costs must be paid by October 31 of the fiscal year.

Separately, for transportation grants to the other magnet schools, the bill allows for payments to be made earlier than currently required. Specifically, half of the estimated eligible transportation costs must be paid by October 31, with the remainder paid by May 31. Current law requires them to be made in October and May, respectively.

EFFECTIVE DATE: July 1, 2025

Background — Sheff v. O'Neill

In this 1996 decision, the Connecticut Supreme Court ruled that the state had a constitutional obligation to remedy the educational inequities in the Hartford schools caused by racial and ethnic isolation (238 Conn. 1 (1996)). The court ordered the state legislature and the governor to craft a solution, and legislation was passed to create voluntary desegregation in Hartford by creating interdistrict magnet schools and using programs such as Open Choice.

§ 337 — EARLY START AND OEC GRANTS FOR FACILITY REPAIRS

Modifies the eligible programs for which OEC can use bond funding for certain facility-related grants by adding Early Start CT and removing Even Start; increases the maximum grant amount from $75,000 to $100,000 per classroom

Existing law authorized bonding for an OEC-administered grant program for facility improvements and minor capital repairs under certain child care and related programs. The bill modifies the list of eligible programs by adding Early Start CT (a state-funded early care and education program set to launch this July) and removing Even Start

(a program that provides education to parents and children in certain municipalities). In existing law, these grants can also be issued for improvements under the Smart Start Competitive Grant program, programs administered by school boards, and to expand child care services where a demonstrated need exists (as determined by OEC).

Under the bill, the maximum grant amount is increased from $75,000 to $100,000 per classroom.

The bill also makes two conforming changes to remove the school readiness program and state-funded day care centers under another program as entities that can qualify for a grant as the statutes authorizing these programs are set to be repealed July 1, 2025 (PA 24-78).

EFFECTIVE DATE: July 1, 2025

§ 338 — ALLIANCE DISTRICT PROGRAM AND ENFIELD BASE YEAR

Changes the base year used to determine how much of Enfield's ECS grant is withheld under the alliance district program

By law, once designated an alliance district, the comptroller withholds part of the town's ECS grant and transfers it to the education commissioner who, once the school district has an approved alliance district plan describing how the money will be used, releases the funds to the town. The town must then pay the funds to the school board.

Under current law, Enfield is in the group of towns designated as alliance districts that uses FY 22 as the base year to compare current ECS funding to and determine the amount of ECS funds that come under the alliance district law (overall state funding for ECS has increased each year since FY 17). The bill changes Enfield's base year to FY 12, making more of the town's ECS funding fall under the alliance district procedures (e.g., releasing the funds after approval of the alliance district plan).

By law, an alliance district is a school district for a town with one of the 33 lowest accountability index (AI) scores, plus any previously

designated alliance districts (total of 36). AI determines school district performance by measures including student scores on standardized tests, academic growth form one year to the next, and graduation rates.

EFFECTIVE DATE: July 1, 2025

§ 339 — LEARNER ENGAGEMENT AND ATTENDANCE PROGRAM

Requires SDE, starting in FY 27, to administer LEAP and give school boards grants to implement a home visitation program to reduce chronic absenteeism in the school district

Beginning in FY 27, the bill requires SDE, within available appropriations, to administer the learner engagement and attendance program (LEAP) and give school boards grants to implement a home visitation program to reduce chronic absenteeism in the school district. In practice, SDE has operated LEAP since 2021. The bill codifies the existing program into statute.

Under the bill, school boards may apply for funds, as the commissioner requires. SDE must give grants to at least 10 school boards in any year it gives out grants, and it must give priority to school districts with the highest levels of chronic absenteeism.

Starting by December 31, 2028, SDE must biennially report on the program's implementation. The report must include an evaluation of the program's success for each grant recipient in either of the two prior fiscal years. SDE may consult with organizations with expertise in reducing absenteeism and increasing student engagement when developing the report.

EFFECTIVE DATE: July 1, 2025

§ 340 — HIGH-DOSAGE TUTORING MATCHING GRANT PROGRAM

Requires SDE to establish a competitive high-dosage tutoring matching grant program to award two-year grants to programs that provide high-dosage tutoring

Beginning FY 27, the bill requires SDE, within available appropriations, to establish and annually administer a competitive high-dosage tutoring matching grant program for local and regional school boards to accelerate student learning by implementing this tutoring. The grant must cover a two-year period and can be awarded

to any program that provides high-dosage tutoring.

Under the bill, SDE can use up to 3% of the funds appropriated for this program toward grant administration, technical assistance and program evaluation. Additionally, SDE must develop:

1. a grant application to be used by school boards and

2. criteria for reviewing and approving grant applications.

By January 31, 2029, SDE must submit a report on the grant program's implementation and outcomes for the two-year period where grants were awarded to the Education Committee.

EFFECTIVE DATE: July 1, 2026

High-Dosage Tutoring. "High-dosage tutoring" is tutoring with one or more of the following elements:

1. one tutor per group of four or less students;

2. is done for at least three sessions per week, and at least 30 minutes per session;

3. occurs during the regular school day, and is not a before or after school program nor an at-home, on-demand program;

4. supplements, rather than replaces, core academic instruction;

5. is done by an in-person tutor;

6. is done by high-quality tutors trained to provide tutoring services;

7. uses a high-quality curriculum and instructional materials that are aligned with state-approved academic standards and core classroom, grade-level content approved by the State Board of Education;

8. is data driven and, where applicable, includes state-provided

interim assessment blocks and other materials aligned with the state's summative assessment;

9. gives tutors training and professional learning opportunities throughout the school year; and

10. requires collaboration between tutors and classroom educators to ensure tutoring aligns with classroom content.

§ 341 — SPECIAL EDUCATION GRANT PROPORTIONAL REDUCTION

Extends the provision requiring grants to be reduced proportionally for all fiscal years, rather than only FY 26

Beginning with FY 26, HB 5001 as amended by House "A," would entitle each school board to a special education and expansion development grant through a formula the bill creates. However, under HB 5001, if the total amount of the grant calculation for FY 26 exceeds the amount appropriated in the budget, then the amounts payable to a school board would be reduced proportionately.

This bill extends this proportional reduction provision to all fiscal years. It also makes a technical change.

EFFECTIVE DATE: July 1, 2025

§§ 342-344 — MAGNET SCHOOL TUITION CHARGES

Sets a new method for determining tuition rates for magnet school programs that began operating on or after July 1, 2024, based on average tuition charged in the same region

By law, for grades K to 12, magnet school operators charge tuition to the school districts that send students to the magnet school. Effective FY 25, they cannot charge for tuition more than 58% of the amount they charged in FY 24. The bill adds a method to determine what magnet schools that began operating on or after July 1, 2024, can charge for tuition. (Magnet school operators include a local or regional board of education, a RESC, a higher education institution's board, or education commissioner-approved non-profit corporations.)

Under the bill, a magnet program that began operating on or after July 1, 2024, and is authorized to charge tuition, cannot exceed the per

student average tuition that magnet school programs charge for serving similar grade ranges in the same region. The education commissioner determines this average tuition amount.

Current law has the same 58% tuition limit for magnet operators with preschool programs that charge tuition to parents or guardians (but they are prohibited from charging preschool tuition to any parent or guardian with a family income at or below 75% of the state median income). The bill applies the same tuition setting method for preschool programs that began operating on or after July 1, 2024, that it does for elementary and secondary school magnets that began operating on or after that date.

EFFECTIVE DATE: July 1, 2025

§§ 345-347 — SCHOOL AND PUBLIC LIBRARY POLICIES

Requires school boards and public library governing bodies to adopt policies on collection development and maintenance, displays and programs, and material review; specifies criteria the policies they must meet

The bill requires school boards and public library boards of trustees or other governing bodies ("governing bodies") to each adopt policies on (1) collection development and maintenance, (2) library display and programs, and (3) library material review and reconsideration. Under current law, public libraries (but not school libraries) must adopt collection development, collection management, and collection reconsideration policies to be eligible for state grants; under the bill they must instead adopt policies meeting the bill's requirements.

The bill requires the policies to, among other things, ensure that library materials are evaluated and made accessible to conform with applicable state non-discrimination laws, which generally prohibit discrimination based on race, color, sex, gender identity, religion, national origin, sexual orientation, or disability. It also specifically requires the policies adopted under the bill to, among other things:

1. recognize that library and other materials should represent a wide range of varied and diverging viewpoints;

2. establish a process for receiving, considering, and making decisions on requests for reconsideration or removal of library material and a process for appealing decisions; and

3. prohibit removing library material (a) on the sole basis that someone finds the book offensive or (b) because of the origin, background, or viewpoints of the material's creator or as expressed in the material.

The bill's policy requirements for school boards and public library governing bodies are largely the same in content and procedures, but there are some requirements specific to the different policies. For example, the school policy must (1) address student access to age-appropriate and grade-level-appropriate material and (2) require a superintendent who receives a reconsideration request to appoint a library material review committee to consider it.

Lastly, the bill also grants employees immunity from liability when they perform their duties under the bill and allows them to bring legal action for defamation or damage to their reputations related to the same.

EFFECTIVE DATE: Upon passage

Definitions

The bill defines "library and other educational material" as any material belonging to, on loan to, or in the custody of a school library media center or public library, including nonfiction and fiction books, magazines, reference books, supplementary titles, multimedia and digital material, and software. In the case of school libraries, it also includes other material not required as part of classroom instruction.

An "individual with a vested interest" is (1) for school policies, a school staff member employed by a school board, a student enrolled when a reconsideration form is filed, or a parent or guardian of such a student and (2) for public libraries, a resident of the town where the public library is located or the town in which the contract library is located when the reconsideration form is filed.

General Requirements of Required Library Policies

The bill requires school boards and public library governing bodies to each adopt, for their respective libraries, a (1) library collection development and maintenance policy, (2) library display and program policy, and (3) library material review and reconsideration policy. The bill requires these policies to ensure that library materials are evaluated and made accessible so they conform with applicable state laws prohibiting discrimination based on race, color, sex, gender identity, religion, national origin, sexual orientation, or disability.

Under the bill, in developing each policy, the school boards and governing bodies have control over the content of the policy, as long as the policies conform with the bill's provisions. Each school board and public library governing body must review, and update as necessary, each policy every five years.

Collection Development and Maintenance Policy

The bill requires collection development and maintenance policies for both schools and public libraries to:

1. recognize that library and other materials should (a) be provided for students' or residents' (as applicable) interest, information, and enlightenment and (b) represent a wide range of varied and diverging viewpoints in the collection;

2. recognize the school library media center's or public library's importance as a place for voluntary inquiry, disseminating information and ideas, and promoting free expression and free access to ideas by students or residents, as applicable;

3. establish a procedure for certified school library media specialists or public librarians to continually review library and other material within a school library media center or public library (as applicable) using professionally accepted standards, including the material's relevance, physical condition, availability of duplicates or copies, availability of more recent age-appropriate or grade-level-appropriate material, and continued demand for

the material; and

4. acknowledge that librarians and school library media specialists are professionally trained to curate and develop collections providing the widest array of library and other materials.

School Specific Requirements. For schools, the bill includes an additional requirement. The policy must require giving students access to (1) age-appropriate and grade-level-appropriate material and (2) library and other educational materials that are relevant to students' research, independent reading interests, and educational needs based on a student's age, development, or grade level. School policies must acknowledge that school library media specialists are professionally trained to curate a collection providing age-appropriate and grade-level-appropriate library and other materials.

Library Display and Program Policy

The bill requires the library display and program policy for both schools and public libraries to:

1. recognize that library displays should (a) be provided for students' and residents' (as applicable) interest, information, and enlightenment; (b) represent a wide range of varied and diverging viewpoints; and (c) provide access to content that is relevant to students' or residents' research, independent interests, and educational needs;

2. recognize the importance of displays and programs as resources for voluntary inquiry, disseminating information and ideas, and promoting free expression and free access to ideas; and

3. acknowledge that a school library media specialist or public librarian is professionally trained to curate and develop displays and programs.

Policy Differences. Additionally, the bill requires the school policies to recognize that displays should give students access to age-appropriate and grade-level-appropriate content and acknowledge that

library media specialists are trained to develop these age-appropriate displays and programs.

The display policy for public libraries must make a distinction between displays and programs created or curated by library staff and those that are created or curated by the public or community groups and exhibited at the public library.

Library Material Review and Reconsideration Policy

Under the bill, the library material review and reconsideration policies must include a process for requesting that library materials be removed, create a reconsideration request form, details of the request process including a 60-day deadline for the library material review committee or the library director to issue a decision on removal, and an appeals process.

Under the bill, "remove" means deliberately taking library material out of a library's collection, but does not include the process of clearing no longer useful materials out of the collection.

The bill requires the reconsideration policy for both schools and public libraries to:

1. establish a process for individuals with a vested interest to challenge any library and other educational material, display, or program;

2. prohibit removing library material, displays, or programs (or, in the case of programs, cancelling them) because of the origin, background, or viewpoints expressed in the material, display, or program, or because of the origin, background, or viewpoints of the material's creator;

3. require that library materials, displays, and programs can only be excluded for legitimate educational purposes or for professionally accepted standards of collection maintenance practices adopted under the collection development and maintenance policy or the display and program policy;

4. require that any process for petitioners to challenge any library material, display, or program cannot favor nor disfavor any group based on protected characteristics;

5. require the individual submitting the request for reconsideration to include his or her full legal name, address, and telephone number;

6. require that any library material being challenged remain available in the library media center or library according to its catalog record and be available for students or residents to reserve, check out, or access until the review committee or library director makes a final decision;

7. permit a school district or library director, as applicable, to consolidate any requests for review and reconsideration of the same challenged library material; and

8. prohibit the removal, exclusion, or censoring of any book on the sole basis that someone finds the book offensive.

Reconsideration Request and Appeals Process Policy Differences

While the polices for school libraries and public libraries are broadly similar under the bill, there are some differences in the reconsideration request process and appeals process.

School Library Policy, Decisions, and Appeals. Under the bill, the policy must create a request for reconsideration form that may be submitted to the principal of the school where the library and other educational material is being challenged to start the material review, and the form must require the individual to specify which part of the material he or she objects to and provide an explanation for the objection. The bill requires that these forms provide an opportunity for a request submission by individuals with a vested interest (students, parents, and staff members, as described above). However, the bill also requires the policy to limit consideration of requests to reconsider and remove material, displays, or student programs to the parents and guardians of students and eligible students currently enrolled in the

school.

Regarding the school's process, the policy must require the principal or a designee to promptly forward the request for reconsideration to the school district superintendent. The superintendent or designee must appoint a review committee consisting of (1) the superintendent or designee; (2) the principal of the library's school or the principal's designee; (3) the curriculum director, or the equivalent position of the school board; (4) a school board representative; (5) at least one grade-level-appropriate teacher familiar with the library material; (6) a parent or guardian of a student age 13 or younger enrolled in the school district; (7) a parent or guardian of a student age 14 or older enrolled in the school district; and (8) a certified school librarian working for the school board or employed by another school board in the state. The individual who submitted the request for reconsideration cannot be a member of the review board.

In cases where a high school student submits the form, and if the superintendent deems it appropriate, a high school student may serve on the review committee if he or she did not submit the form, but the superintendent must consult with the school principal of the library in question before deciding whether to include the student on the review committee.

The policy adopted under the bill must require the review committee to:

1. evaluate the request for reconsideration form,

2. read the challenged material in its entirety,

3. evaluate the challenged material against the school district's collection development and maintenance policy, and

4. make a written decision within 60 school days after receiving the request whether to remove the challenged material.

The committee must give a copy of the committee's decision and report to the individual who submitted the form and to the school

principal.

The bill requires that the policy allow the individual who made the reconsideration request to appeal the review committee's decision to the school board. The board must determine whether the reconsideration process was followed and publish the decision on the school district's website. Under the bill, once the review committee decides, the material in question cannot be subject to a new reconsideration request for three years.

Public Library Policy, Decisions, and Appeals. The public library policy must only allow individuals residing in the town in which the library or contract library is located to submit requests to reconsider and remove material, displays, or programs.

The policy must create a request for reconsideration form that an individual can submit to the library director to start the material review. The form must require the individual to specify which part of the material he or she objects to and explain the objection. The policy must also state that reconsideration requests are not confidential patron records under state law.

The policy must require the library director to:

1. evaluate the request for reconsideration form,

2. read the challenged material in its entirety,

3. evaluate the challenged material against the library's collection development and maintenance policy, and

4. make a written decision within 60 days after receiving the request about whether to remove the challenged material.

The library director must give a copy of the decision and report to the individual who submitted the form.

The policy must also permit the individual who made the reconsideration request to appeal the library director's decision in

writing to the library's governing body.

The bill requires the policy to include several steps the board must take. First, after evaluating the challenged material under the collection development and maintenance policy, the board must consult with (1) the library director; (2) the state librarian or his designee; (3) a representative of the cooperating library service unit, as defined in state law; (4) the Connecticut Library Association president or her designee; and (5) the Association of Connecticut Library Boards president or her designee, and then deliberate on the reconsideration request. Finally, it must provide a written statement of the reasons for reconsidering (or refusing to reconsider) the library material and provide any final decision that is contrary to the library director's decision.

Under the bill, once the library director or governing board decides, the material in question cannot be subject to a new reconsideration request for three years.

Requirement to Post Policies

Under the bill, each school board and governing body must make the (1) collection development and maintenance policy; (2) library program and display policy; and (3) library material review and reconsideration policy adopted under the bill available on the board's or governing body's website or, if there is no website, inside the school or public library or included as part of the school or public library's policy manual.

Library Grants

By law, a public library must adopt and adhere to collection development, collection management, and collection reconsideration policies to be eligible for state library grants. The bill modifies this to say public libraries (this excludes school libraries) must adopt the policies the bill requires to be eligible for state library grants. Existing law and the bill require the reconsideration policy to offer residents a clear process to request a reconsideration of library materials.

§ 348 — STATE SUPPLEMENT PROGRAM (SSP)

Freezes SSP payment standards for FYs 26 and 27

The State Supplement Program (SSP) provides cash assistance to people who are aged, blind, or living with a disability. Current law requires that the payment standards used to calculate SSP benefit amounts be adjusted annually for inflation. The bill freezes SSP payment standards for FYs 26 and 27.

EFFECTIVE DATE: July 1, 2025

§§ 349 & 350 — CASH ASSISTANCE ELIGIBILITY FOR DOMESTIC VIOLENCE VICTIMS

Eliminates separate eligibility requirements for domestic violence victims to receive TFA diversion assistance or similar payments under SAGA

Temporary Family Assistance (TFA) provides temporary cash assistance to families. Existing law requires the Department of Social Services (DSS) to offer immediate diversion assistance designed to keep TFA applicants from needing TFA if (1) DSS determines them eligible for TFA in an initial assessment, (2) the family demonstrates a short-term need that cannot be met with current or anticipated family resources, and (3) the family would be prevented from needing monthly TFA if they received a service or short-term benefit.

Current law sets a separate process for domestic violence victims to receive diversion assistance. Under current law, and within DSS's available resources, domestic violence victims who request diversion assistance only need to be determined eligible for TFA in an initial assessment and DSS must exclude any household member the victim credibly accuses of domestic violence for eligibility and benefit calculation purposes (e.g., income and asset determinations). The bill eliminates this separate process for domestic violence victims, applying the same process to them as other applicants for diversion assistance.

State Administered General Assistance (SAGA) provides cash assistance to people with disabilities who are permanently or temporarily unable to work. Under current law, domestic violence victims who are not eligible for diversion assistance are eligible for a one-time SAGA assistance payment, within DSS's available resources, equal to the diversion assistance payment they would have received if

they were eligible. The bill eliminates this provision.

EFFECTIVE DATE: July 1, 2025

§ 351 — OBESITY TREATMENT PRIOR AUTHORIZATION AND STEP THERAPY

Allows, rather than requires, DSS to cover obesity treatment in Medicaid and CHIP; requires prior authorization, and step therapy in some circumstances, for Medicaid coverage of prescription drug obesity treatment

Under federal law states may elect to provide coverage for certain treatments for obesity under Medicaid and the Children's Health Insurance Program (CHIP). Current state law requires DSS to provide this coverage in Connecticut. The bill instead allows, but does not require, DSS to amend the state Medicaid plan and the state CHIP plan to provide this coverage. If a state plan amendment is federally approved, DSS must provide this coverage.

Under the bill, if obesity treatment is provided under Medicaid and CHIP, the DSS commissioner must require prior authorization and, under certain conditions, step therapy when clinically appropriate before covering federal Food and Drug Administration-approved prescription drug outpatient obesity treatment for people with (1) type 2 diabetes or (2) obesity and a comorbid condition. The bill limits the amount of time the commissioner can require step therapy to up to 180 days. It also prohibits the commissioner from requiring step therapy for a person with a body mass index of 40 or higher if a licensed health care provider certifies in writing that the person is scheduled to undergo surgery requiring anesthesia within the next six months.

EFFECTIVE DATE: July 1, 2025

§§ 352 & 353 — GLP-1 DATA COLLECTION

Requires the DSS commissioner and comptroller to collect data on the use of GLP-1 drugs in the Medicaid program and state employee health plan, respectively

The bill requires the DSS commissioner to collect data on Medicaid beneficiaries' use of glucagon-like peptide (GLP-1) drugs and related costs and benefits to the state. The commissioner must report annually, beginning by January 15, 2026, to the Appropriations, Human Services, and Public Health committees on the:

1. number of Medicaid recipients who received GLP-1 drug treatment in the last calendar year and how many recipients were prescribed this treatment for (a) type 2 diabetes or (b) cardiovascular concerns;

2. total cost to the state to provide Medicaid coverage for GLP-1 drugs; and

3. total amount of rebates or discounts the state received from pharmaceutical companies for including GLP-1 drugs in the Medicaid program to the extent permissible.

The bill requires the comptroller to collect corresponding data, and additionally on the number of enrollees prescribed GLP-1 drug treatment for weight loss, for state employees and retirees in the state employee health plan. He must report on it annually, beginning by January 15, 2026, to the Appropriations, Human Services, Insurance and Real Estate, and Public Health committees.

EFFECTIVE DATE: Upon passage

§§ 354-359 — NURSING HOME MEDICAID RATES

Prohibits DSS from rebasing nursing home costs in FY 26; eliminates inflation adjustments for nursing homes in FYs 26 and 27; requires DSS to (1) amend the Medicaid state plan to extend the case mix neutrality limit as needed to remain within available appropriations; (2) increase nursing home reimbursement rates to support wage increases for employees, within available appropriations, in FYs 25-27; and (3) distribute supplemental funding in FYs 27 and 28 appropriated to promote workforce retention and high employee health and retirement security standards in long-term care facilities

Existing law requires DSS to implement an acuity-based Medicaid reimbursement rate for nursing homes effective July 1, 2022. Acuity-based rates generally reimburse nursing homes based on the level of care needed for patients. In practice, DSS is currently transitioning from a cost-based system to the acuity-based system over a period of years.

The bill makes various changes to these Medicaid nursing homes' rates that affect cost rebasing, inflationary adjustments, and wage increases for nursing home employees.

EFFECTIVE DATE: July 1, 2025

Rebasing Costs (§ 354)

Current law requires DSS to rebase nursing homes' costs for calculating Medicaid reimbursement rates at least every four years, but no more frequently than every two years. It also prohibits inflationary adjustments in any year in which a facility's rates are rebased. The bill prohibits DSS from rebasing nursing home costs in FY 26.

Inflationary Adjustments (§ 355)

For FYs 26 and 27, regardless of department regulations on nursing home reimbursement, the bill prohibits any inflationary increases to the rates beyond those already factored into the model DSS is using to transition to the acuity-based methodology.

For subsequent years, existing law establishes a methodology to calculate inflationary increases that requires any increase to allowable operating costs (excluding fair rent) to be inflated by the gross domestic product (GDP) deflator when funding is specifically appropriated in the enacted budget for this purpose.

State Plan Amendment (§ 355)

The bill requires the DSS commissioner to amend the Medicaid state plan to extend the case mix neutrality limit as needed to remain within available appropriations. She may do so as she deems necessary so long as the neutrality limit does not fall below the FY 25 limit.

Wage Increases for Nursing Home Employees (§ 356)

Regardless of the state's nursing home Medicaid reimbursement law, the bill requires the DSS commissioner, within available appropriations, to increase nursing home reimbursement rates to support wage increases for employees (i.e. nurses; nurse's aides; and dietary, housekeeping, laundry, maintenance, and plant operation personnel) as follows: (1) 3% effective July 1, 2025; (2) 3% effective July 1, 2026; and (3) 4% effective January 1, 2027.

If a facility receives a rate adjustment for these wage increases and does not provide them, the bill authorizes DSS to decrease the facility's rate by the same amount.

Supplemental Funding for Workforce Retention (§§ 357-359)

For FY 27, the bill requires the DSS commissioner to distribute up to $10 million to nursing homes eligible for supplemental funding to promote workforce retention and for nursing home providers that offer high employee health and retirement security standards.

It also requires the commissioner to distribute up to $55 million to nursing homes in FY 28, and allows her to proportionally distribute the funds to support wage increases as follows:

1. a 2.5% increase on July 1, 2027, for nurses; nurse's aides; and dietary, housekeeping, laundry, maintenance, and plant operation personnel and

2. a $26 hourly rate for registered nurse's aides by January 1, 2028.

Under the bill, the commissioner must determine which homes are eligible for this supplemental funding and may recoup any amount given to facilities to provide wage increases who do not do so.

Under the bill and existing law, DSS may assess a civil penalty on a nursing home that receives a rate increase to enhance its employees' wages but fails to use it for that purpose. The civil penalty is limited to half the total dollar amount of the rate increase the nursing home received but did not use to enhance employee wages. DSS, at its discretion, may enter into a recoupment schedule with a nursing home so as not to negatively impact patient care. Nursing homes subject to a civil penalty may request a rehearing under provisions in existing law.

§ 360 — ICF-IDS RATES

Requires DSS to increase reimbursement rates for ICF-IDs for FYs 26-28; allows certain facilities to receive fair rent increases and rate increases for specified capital improvements in FYs 26 and 27; requires DSS to amend its regulations to remove current inflation cost limits on facility rates starting July 1, 2027

Rate Increases for FYs 26-28

For FYs 26-28, the bill requires DSS to increase reimbursement rates for intermediate care facilities for people with intellectual disabilities (ICF-IDs) as follows:

1. for FY 26, 1.4% greater than the facility's calculated rate (existing law requires DSS to calculate FY 26 rates based on 2024 cost report filings adjusted to reflect any increases provided after that cost report year);

2. for FY 27, 2.8% greater than the facility's FY 26 rate;

3. for FY 28, a 3% increase greater than the facility's FY 27 rate; and

4. effective January 1, 2028, a 3% increase from the facility's rate on December 31, 2027.

Under the bill, a facility is ineligible for the above rate increases if it would have received a lower rate effective during these time periods due to interim rate status or an agreement with DSS. In these cases, the facility must receive the lower rate. (Generally, DSS may authorize an interim rate to a facility in specified situations such as an ownership change, financial distress, or a significant change in licensed bed capacity.)

Capital Improvements and Fair Rent Increases

Additionally, for FYs 26 and 27, the bill allows facilities to receive a rate increase for capital improvements the Department of Developmental Services approves, in consultation with DSS, for resident health or safety, within available appropriations. For these fiscal years, the bill extends a provision allowing DSS to provide fair rent increases to facilities with a DSS-approved certificate of need that have undergone a material change in circumstances related to fair rent.

Inflation Adjustments

The bill also requires DSS to amend its regulations to allow the department to waive inflation cost limits on direct care costs when rebasing facility rates after July 1, 2027. (Existing law prohibits rate increases for FYs 24-26 based on any inflationary factors.)

EFFECTIVE DATE: July 1, 2025

§ 361 — RESIDENTIAL CARE HOME RATES

Allows DSS to give RCHs a rate increase in FYs 26 and 27, within available appropriations, for certain capital costs; allows pro rata fair rent increases in these years at the department's discretion and within available appropriations

FYs 26 and 27 Rates

For FYs 26 and 27, the bill allows DSS to give residential care homes (RCH) a rate increase for a DSS-approved capital improvement for its residents' health or safety, to the extent these rate increases are within available appropriations.

The bill also allows the DSS commissioner, in her discretion and within available appropriations, to give pro rata fair rent increases to facilities for (1) FY 26, for documented fair rent additions placed in service in the 2024 cost report year and (2) FY 27, for these additions placed in service in the 2025 cost report year. For both years, these rate increases are for fair rent additions not otherwise included in issued rates.

EFFECTIVE DATE: July 1, 2025

§ 362 — HEALTH SYSTEMS PLANNING UNIT STUDY

Specifies that the Health Systems Planning Unit must conduct its biennial study of health care facility utilization within available appropriations

Existing law requires the Office of Health Strategy's (OHS) Health Systems Planning Unit to biennially study statewide health care facility utilization. The bill specifies that it must do so within available appropriations.

EFFECTIVE DATE: July 1, 2025

§ 363 — DRIVER TRAINING AND EVALUATION FOR PEOPLE WITH DISABILITIES

Transfers, from ADS to DMV, a unit responsible for people with disabilities' driver training and evaluation

The bill transfers, from the Department of Aging and Disability Services (ADS) to the Department of Motor Vehicles (DMV), a unit responsible for people with disabilities' driver training and evaluation. It correspondingly repeals a process in current law for ADS to certify with DMV a person with disabilities' driver training completion and

recommend any license restrictions or limitations.

Additionally, under existing law, staff working in the unit, while engaged in driver instruction or evaluation, have the same authority and immunity with respect to these activities as motor vehicle inspectors. The bill extends this authority and immunity to unit staff while examining people with disabilities' driving ability.

EFFECTIVE DATE: July 1, 2025

§ 364 — MEDICAID RATES REVIEW

Requires DSS to create a five-year process to regularly review Medicaid reimbursement rates; allows DSS, in consultation with OPM, to increase and rebase rates as the commissioner determines necessary and to the extent funds are available to do so at the end of each review year

The bill requires the DSS commissioner to create a five-year process to regularly and predictably review Medicaid reimbursement rates, including benchmarking Medicaid rates to Medicare rates when possible. She must begin the review by January 1, 2026. The bill allows rates paid in the Medicaid program's individual components to be evaluated separately so long as all rates are evaluated by January 1, 2031.

The bill allows the commissioner to, at the end of each review year and to the extent funds are appropriated for this purpose, increase and rebase using a more current Medicaid base year rate, any rate she deems necessary to strengthen access and improve quality and outcomes and reduce spending on acute care services. The commissioner must consult with the Office of Policy and Management secretary to determine which rates to increase and rebase each year.

After finishing this five-year review process, the bill requires DSS to start a new review following the same evaluation schedule. Under the bill, the department must continue conducting these reviews every five years.

EFFECTIVE DATE: July 1, 2025

§ 365 — MAPOC CHAIRS

Appoints the Human Services and Public Health committees' chairs as MAPOC's chairs

Under current law, the Council on Medical Assistance Program Oversight (MAPOC) selects a chairperson from among its members. The bill instead appoints the Human Services and Public Health committees' chairs as MAPOC's chairs.

The law charges this council with monitoring and advising DSS on various aspects of the Medicaid program (CGS § 17b-28). MAPOC includes legislators, consumers, advocates, health care providers, administrative service organization representatives, and state agency personnel. It generally meets monthly and has subcommittees that meet separately.

EFFECTIVE DATE: July 1, 2025

§ 366 — MEDICAID COVERAGE FOR BREAST PROSTHESES

Requires the DSS commissioner to distribute information on Medicaid coverage for breast prostheses

The bill requires the Department of Social Services (DSS) commissioner to distribute information about Medicaid coverage for a custom-made, noninvasive breast prosthesis. She must (1) include the information in a Medicaid-enrolled providers' bulletin and Medicaid enrollees' communication materials and (2) collaborate with the public health commissioner to spread the information through existing programs.

Under the bill, a "custom-made, noninvasive breast prosthesis" is an exterior, custom-made form to fit a mastectomy patient's individual physical profile to restore the patient's symmetrical appearance after surgery.

EFFECTIVE DATE: Upon passage

§§ 367 & 368 – ASSISTANCE PROGRAM ELIGIBILITY INCOME DISREGARDS

Requires the DSS commissioner to disregard income a person receives from participating in certain DSS-approved pilot programs and job training programs when determining TFA eligibility; requires the commissioner to disregard income from rental assistance pilot programs when determining eligibility for DSS-administered assistance programs

The bill requires the Department of Social Services (DSS) commissioner, when determining Temporary Family Assistance (TFA) eligibility, to disregard any financial assistance a family member gets from participating in a DSS-approved pilot program with a developed plan to study and evaluate the impact of direct cash transfers. Under the bill, this disregard applies for as long as the family member participates in the pilot program, up to 36 months. The bill sets the conditions under which DSS may approve these pilot programs.

The bill also requires the DSS commissioner, when determining TFA eligibility, to disregard from income any stipend a family member gets from participating in a DSS-approved job training program, such as those offered by the Office of Workforce Strategy, Department of Aging and Disability Services' Bureau of Rehabilitative Services, or a tax-exempt nonprofit. Under the bill, this disregard applies for as long as the family member participates in the training program, up to 36 months.

Lastly, to the extent state and federal law allows, the bill requires the DSS commissioner, when determining income eligibility for any DSS-administered state or federal assistance program, to disregard any direct rental assistance a person gets from participating in a pilot program. The bill allows the commissioner to amend the Medicaid state plan or seek any federal waiver necessary to do so.

EFFECTIVE DATE: July 1, 2025

Income Disregard for DSS-Approved Pilot Programs

The bill limits the pilot programs DSS may approve for the income disregard to those for which it can receive required waivers authorizing the disregard for federal and state benefits programs. Under the bill, DSS must request these waivers from all necessary federal, state, and

local agencies and keep a publicly available list of approved programs.

DSS must also require approved pilot programs to (1) inform potential participants in writing about how participating may impact their federal and state benefit eligibility now and in the future and (2) include contact information for participants to get more information or guidance on those impacts.

§ 369 — SCHOOL-BASED HEALTH CLINIC BILLING

Requires the Transforming Children's Behavioral Health Policy and Planning Committee to develop a framework and operational guidelines to streamline municipal Medicaid billing for Medicaid-eligible school-based behavioral health services

The bill requires the Transforming Children's Behavioral Health Policy and Planning Committee, in collaboration with the education and social services departments and by September 1, 2026, to develop a framework and operational guidelines to streamline municipal Medicaid billing for Medicaid-eligible school-based behavioral health services. The committee must report, by October 1, 2026, on the framework and guidelines it develops to the Appropriations, Education, and Human Services committees.

EFFECTIVE DATE: Upon passage

§§ 370-372 — IDENTIFIED PRESCRIPTION DRUGS

Caps the price for the sale of identified prescription drugs in the state; generally imposes a civil penalty on pharmaceutical manufacturers and wholesale distributors who violate the cap and requires the DRS commissioner to impose and collect it; and creates a process for penalty disputes

The bill sets a (1) cap on the prices for which pharmaceutical manufacturers and wholesale distributors can sell an identified prescription drug in the state and (2) civil penalty for violators, except for those that made less than $250,000 in total annual sales in the state for the calendar year for which the penalty is being imposed. It also creates a process by which an aggrieved person can request a hearing to dispute the penalty. An "identified prescription drug" is a (1) brand-name drug or biological product for which all exclusive marketing rights granted under federal patent laws and other federal laws have expired for at least 24 months, including any drug-device combination product to deliver a brand-name drug or biological product or (2)

generic drug or interchangeable biological product.

EFFECTIVE DATE: July 1, 2025

Price Cap on Identified Prescription Drugs

Increase Based on Consumer Price Index. Starting January 1, 2026, regardless of state statute, the bill prohibits pharmaceutical manufacturers and wholesale distributors from selling an identified prescription drug in the state for more than its reference price, adjusted for any increase in the consumer price index.

Under the bill a "pharmaceutical manufacturer" is a person that manufactures a prescription drug and sells it, directly or through another person, for distribution in the state.

A "wholesale distributor" is a person engaged in the wholesale distribution of prescription drugs. This includes a repacker, own-label distributor, private-label distributor, or independent wholesale drug trader.

A "reference price" is the drug or biological product's wholesale acquisition price. For brand-name drugs or biological products, the reference price is the wholesale acquisition cost on January 1, 2025, or the date the patent expires, whichever is later. For generic drugs or interchangeable biological products, the reference price is the wholesale acquisition cost on January 1, 2025, or the date the drug or product is first commercially marketed in the United States, whichever is later.

Drug Shortage Exemption. The bill makes one exception by allowing manufacturers and distributors to exceed this price, starting January 1, 2026, if the federal Health and Human Services secretary determines that there is a shortage of the drug in the United States and includes it on the drug shortage list.

Civil Penalty for Violating Price Cap

The bill imposes a civil penalty on pharmaceutical manufacturers and wholesale distributors that violate the price cap provision above. The civil penalty must be imposed, calculated, and collected by the state on

a calendar year basis by the Department of Revenue Services (DRS) commissioner.

Penalty Calculation. The civil penalty amount for a calendar year must be equal to 80% of the difference between the revenue that the pharmaceutical manufacturer or wholesale distributor:

1. earned from all sales of the identified prescription drug in the state during the calendar year; and

2. would have earned from these sales if the manufacturer or distributor had not sold the drug at a price over the bill's price cap.

Penalty Exception. The bill exempts from liability for the above civil penalty, pharmaceutical manufacturers or wholesale distributors of an identified prescription drug that made less than $250,000 in total annual sales in the state for the calendar year for which the civil penalty would otherwise be imposed.

Penalty Payment and Statement Filing

For calendar years starting January 1, 2026, each pharmaceutical manufacturer or wholesale distributor that violates the identified prescription drug price cap during any calendar year must, by March 1 immediately following the end of the calendar year:

1. pay the DRS commissioner the civil penalty for that calendar year; and

2. file with the DRS commissioner a statement for that calendar year.

The commissioner must prescribe the statement's form and manner and required information.

Electronic Filing and Wire Transfer. The manufacturer and distributor must file the statement electronically and pay the penalty by electronic funds transfer in the same way as filing and paying tax returns, regardless of whether they would have otherwise been required

to do so under the law.

If no statement is filed as required above, the bill allows the DRS commissioner to make the statement at any time according to the best obtainable information and the prescribed form.

Record Examination and Retention

DRS Commissioner's Examination. The commissioner may, as he deems necessary, examine the records of any pharmaceutical manufacturer or wholesale distributor subject to the civil penalty imposed for an identified prescription drug price cap violation described above.

Billing Due to Failure to Pay. After the examination, if the DRS commissioner determines that the pharmaceutical manufacturer or wholesale distributor failed to pay the full amount of the civil penalty, he must bill the pharmaceutical manufacturer or wholesale distributor for the full amount of the civil penalty.

Records Retention. Under the bill, to provide or secure information pertinent to the civil penalty enforcement and collection, the DRS commissioner may require each pharmaceutical manufacturer or wholesale distributor subject to penalty to (1) keep records as the commissioner may prescribe and (2) produce books, papers, documents, and other data.

Investigation. To verify the accuracy of any statement made or, to determine the amount of the civil penalty due if a statement was not made, the DRS commissioner or his authorized representative may (1) examine the books, papers, records, and equipment of anyone subject to the identified prescription drug price cap provisions and (2) investigate the character of their business.

Aggrieved Company's Request for a Hearing

Hearing Application. Any pharmaceutical manufacturer or wholesale distributor that is subject to the civil penalty and aggrieved by the DRS commissioner's actions above (i.e. making a statement, billing, records examination, and investigation) may apply to the

commissioner for a hearing. This must be done in writing within 60 days after the notice of the action is delivered or mailed to the manufacturer or distributor.

The aggrieved pharmaceutical manufacturer or wholesale distributor must state in the application (1) why the hearing should be granted and (2) if they believe they are not liable for the civil penalty or its full amount, the (a) grounds for the belief and (b) amount by which they believe the civil penalty should be reduced.

Hearing Denied or Granted. The DRS commissioner must promptly consider each application and notify the pharmaceutical manufacturer or wholesale distributor (1) immediately of a hearing denial or (2) of the date, time, and place for a hearing that is granted.

DRS Commissioner's Orders. After the hearing, the commissioner may make orders as appears just and lawful to him and must give a copy to the pharmaceutical manufacturer or wholesale distributor.

Hearing on the DRS Commissioner's Initiative. By notice and in writing, the commissioner may order a hearing on his own initiative and require a pharmaceutical manufacturer or wholesale distributor, or any other person the commissioner believes has relevant information, to appear before him, or his authorized agent, with any specified books of account, papers, or other documents for examination under oath.

Aggrieved Company's Appeal to Superior Court

Time Period to Appeal. Within 30 days after the aggrieved pharmaceutical manufacturer or wholesale distributor is served notice of the DRS commissioner's order, decision, determination, or disallowance, the manufacturer or distributor may appeal to the Superior Court for the New Britain judicial district.

Accompanying Citation. The appeal must be accompanied by a citation to the DRS commissioner to appear before the court. The citation must be signed by the same authority and the appeal must be returnable at the same time and served and returned in the same way as required for a summons in a civil action.

Bond or Recognizance With Surety. The authority issuing the citation must take from the appellant a bond or recognizance to the state, with surety, to prosecute the appeal to effect and to comply with the court's orders and decrees.

Equitable Relief. Unless there is a reason otherwise, the appeals must be preferred cases and heard at the first session by the court or by a committee it appoints. The court may (1) grant equitable relief, and (2) if the civil penalty was paid before the relief was granted, order the state treasurer to pay the amount of the relief.

Costs Taxed. If the appeal was made without probable cause, the court may tax double or triple costs, as appropriate. For appeals that are denied, costs may be taxed against the pharmaceutical manufacturer or wholesale distributor, but not against the state, at the court's discretion.

DRS Commissioner's Authority

Administer Oaths. The commissioner may administer oaths and take testimony under oath for any inquiry or investigation. The commissioner's agent duly authorized to conduct any inquiry, investigation, or hearing under the provisions above also has these powers.

Subpoena Witnesses and Require Record Production. At any hearing the commissioner ordered, he may subpoena witnesses and require the production of books, papers, and documents relevant to the inquiry or investigation. The commissioner's agent authorized to conduct the hearing and having authority by law to issue the process also has these powers.

A witness under any subpoena authorized to be issued under these provisions must not be excused from testifying or from producing books, papers, or documentary evidence on the ground that the testimony or the production would tend to incriminate the witness, but the books, papers, or documentary evidence produced must not be used in any criminal proceeding against the witness.

Commitment to Community Correctional Center. If anyone

disobeys the process or appears but refuses to answer the commissioner's or his agent's questions, the commissioner or the agent may apply to the Superior Court of the judicial district where the pharmaceutical manufacturer or wholesale distributor resides or where the business was conducted, or to any judge of the court if it is not in session, stating the disobedience to process or refusal to answer.

The court or judge must cite the person to appear to answer the question or produce the books, papers, or other documentary evidence and, if they refuse to do so, must commit the person to a community correctional center until they testify, but not for more than 60 days.

Regardless of the person serving the term of commitment, the DRS commissioner may continue the inquiry and examination as if the witness had not previously been called to testify.

Fees and Compensation. Officers who serve subpoenas issued by the DRS commissioner or under his authority and witnesses attending hearings conducted by the commissioner under this provision must receive fees and compensation at the same rates as officers and witnesses in the state courts. This must be paid on vouchers of the DRS commissioner on order of the state comptroller from the proper appropriation for the administration of this provision.

State Collection and Attorney General's Lien Foreclosure

State Collection Agency Process. The amount of any unpaid civil penalty under the bill's price cap violations-related provisions may be collected using the process under existing law used by the state collection agency (i.e. the state treasurer; DRS commissioner; any other state official, board, or commission authorized to collect taxes payable to the state; and their duly authorized agents). Under the bill, the warrant issued under the collection process must be signed by the DRS commissioner or his authorized agent.

Lien on Real Property. The amount of the civil penalty must be a lien on the pharmaceutical manufacturer's or wholesale distributor's real property from the last day of the month next preceding the civil

penalty's due date until it is paid.

The DRS commissioner may record the lien in the records of the town in which the real property is located, but the lien is not enforceable against a bona fide purchaser or qualified encumbrancer of the real property.

Certificate of Discharge. When the civil penalty for which a lien was recorded is satisfied, the DRS commissioner must, upon request of any interested party, issue a certificate discharging the lien. The discharge certificate must be recorded in the same office in which the lien was recorded.

Foreclosure of the Lien. Any action for the foreclosure of the lien must be brought by the attorney general in the name of the state in the Superior Court for the judicial district in which the real property subject to the lien is located. If the real property is in two or more judicial districts, the action must be brought in the Superior Court for any one of the judicial districts.

The court may limit the time for redemption or order the sale of the real property or make any other decree as it judges equitable.

All civil penalties imposed under this provision can generally be applied as a reduction against any amount payable by the state to the person, as under existing law related to penalties due from taxpayers.

Officer's and Employee's Liability

Willful Failure to Perform. An officer or employee of a pharmaceutical manufacturer or wholesale distributor, who (1) owes a duty, on the manufacturer's or distributor's behalf, to pay the civil penalty, file the required statement with the commissioner, keep records, or supply information to the commissioner and (2) willfully fails to do so must, in addition to any other penalty provided by law, be fined up to $1,000, imprisoned up to one year, or both.

Regardless of existing limitations of prosecution for certain violations or offenses, the bill sets a three-year statute of limitations for prosecuting

officers or employees for violations of these provisions committed on or after January 1, 2026.

Willful Delivery or Disclosure of Fraudulent or False Material. Any officer or employee of a pharmaceutical manufacturer or wholesale distributor who owes a duty, on the manufacturer's or distributor's behalf, to deliver or disclose to the commissioner, or his authorized agent, any list, statement, return, account statement, or other document and willfully delivers or discloses one the officer or employee knows is fraudulent or false in any material matter is guilty of a class D felony, in addition to any other penalty provided by law. (A class D felony is punishable by a fine up to $5,000, up to five years in prison, or both.)

Under the bill, an officer or employee may not be charged with an offense under both provisions above in relation to the same civil penalty but may be charged and prosecuted for both offenses based on the same information.

Waiver and Tax Credit Prohibited

The civil penalty imposed under the bill for violating the identified prescription drug price cap:

1. is excluded from Medicaid provider tax calculations,

2. cannot be waived by the Penalty Review Committee under existing law or any other applicable law, and

3. cannot be reduced by applying a tax credit.

List of Violators and Implementing Regulations

Starting by July 1, 2027, the bill requires the DRS commissioner to (1) annually prepare a list of the pharmaceutical manufacturers or wholesale distributors that violated the identified prescription drug price cap-related provisions during the preceding calendar year and (2) make each annual list publicly available.

The bill authorizes the commissioner to adopt regulations to implement its provisions related to identified prescription drug pricing

and sales.

Withdrawal of Identified Prescription Drug

Required Notice to OHS. If a pharmaceutical manufacturer or wholesale distributor intends to withdraw an identified prescription drug from sale in the state, it must send written notice to the Office of Health Strategy (OHS) disclosing that intention at least 180 days before the withdrawal.

Withdrawal to Avoid Penalty Prohibited. The bill prohibits a pharmaceutical manufacturer or wholesale distributor of an identified prescription drug from withdrawing the identified prescription drug from sale in the state to avoid the bill's civil penalty.

Penalty. Any pharmaceutical manufacturer or wholesale distributor that violates the withdrawal provisions above is liable to the state for a $500,000 civil penalty.

§§ 373 & 374 — APPEALS PROCESS FOR DSS RATES AND AUDITS

Allows parties to appeal any items not resolved at a rehearing on payment rates to the Superior Court, as authorized under the UAPA, rather than requiring binding arbitration

Existing law sets a process for certain institutions and agencies to request a rehearing if they are aggrieved by (1) a decision DSS makes on their payment rates or (2) DSS's final report on an audit. This provision applies for hospitals, nursing homes, residential care homes, and intermediate care facilities for people with intellectual disabilities.

Under current law, any items that are not resolved at the rehearing must be submitted for binding arbitration to an arbitration board, with one member appointed by the institution or agency, one member appointed by the DSS commissioner, and one member appointed by the chief court administrator. The board's proceedings must be in accordance with federal Medicaid laws and the state Uniform Administrative Procedures Act (UAPA).

The bill instead allows parties to appeal any items not resolved at a rehearing to the Superior Court, as authorized under the UAPA. The bill

makes these appeals privileged cases to be heard by the court as soon after the return date as is practicable.

EFFECTIVE DATE: January 1, 2027

§§ 375-377 — FEDERALLY QUALIFIED HEALTH CENTERS (FQHC)

Requires DSS to provide an alternative, updated prospective payment methodology and changes procedures for approving changes to an FQHC's scope of service

Alternative Prospective Payment System

Federal law sets a formula for calculating Medicaid rates for federally qualified health centers (FQHCs) based on their costs to provide services and allows states to establish alternative payment methodologies that (1) provide payments at least equal to those under the standard formula and (2) are agreed to by the state and the FQHC.

State law requires DSS to reimburse FQHCs through an all-inclusive encounter rate per client encounter based on a prospective payment system. The bill requires DSS to provide an alternative, updated prospective payment methodology by October 1, 2025, that is equal to rates set in federal law except that the base year to determine costs of providing services is the average of the reasonable costs incurred in an FQHC's FY 23, adjusted for any change in scope adjustments approved since that year and for inflation as measured by the Centers for Medicare and Medicaid Services' (CMS) Medicaid Economic Index and subject to available appropriations.

The bill requires any rebasing established under this alternate, updated prospective payment methodology to be phased in over three years, from FY 26 to FY 28. DSS must allocate the following amounts in the aggregate from state appropriations during each year of the phase-in:

1. $5 million in FY 26,

2. an additional $7 million in FY 27 ($12 million total), and

3. an additional $14.4 million in FY 28 ($26.4 million total).

The bill requires cumulative increases in state appropriations for

these amounts.

Under the bill, each FQHC must have the option to be reimbursed under the alternative, updated prospective payment system or the federal rates.

For any alternative payment methodology DSS adopts for FQHC payments, the bill requires that it be consistent with federal law, and that any alternative payment methodology that DSS develops must be an additional option and not replace the alternative, updated payment methodology required under the bill. The bill requires DSS to consult with FQHCs before implementing any additional alternative payment methodology.

Scope of Services

The bill changes the procedures for adjusting an FQHC's encounter rate due to changes in its scope of services. The bill extends the time FQHCs have to report changes to DSS from 30 days after the change occurs to 60 calendar days after the end of the FQHC's fiscal year in which the change occurs. It also specifies that the timeframe for FQHCs to provide information after DSS requests it is 30 calendar days, rather than 30 days.

Under current law, DSS may adjust an FQHC's encounter rate after an FQHC provides this notice or based on the department's review of documents the FQHC has previously filed. The bill additionally requires a demonstration that the FQHC's costs to provide services have changed due to a change in the type, intensity, duration, or amount of services provided in a patient encounter. Under the bill, and regardless of existing state laws and regulations on FQHC rates, the following changes do not change an FQHC's scope of service or result in a rate adjustment:

1. a change in service volume due to an expansion or reduction of an existing clinic;

2. adding or discontinuing a satellite or new site;

3. a change in the operational costs attributable to capital expenditures (e.g., new service facilities or regulatory compliance); or

4. an increase in utilization of current services.

The bill specifies that its provisions excluding these changes from scope of service changes do not preclude an FQHC from requesting a change in scope based on a change in the type, intensity, duration, or amount of services provided in a patient encounter, even if these changes may have resulted from expanding or reducing an existing clinic or adding or discontinuing a satellite or new site.

Under the bill, for approved requests, the new encounter rate is effective on the date DSS approves it or the next calendar day after the FQHC's fiscal year ends, whichever is sooner, so long as the FQHC complies with notice requirements.

Regulations and Penalties

The law, unchanged by the bill, allows DSS to impose up to a $500 civil penalty per day for an FQHC that fails to provide information DSS requires for rate and scope of services requests within 30 days after the information is due.

The law allows DSS to implement policies and procedures on FQHC rates while adopting regulations. The bill specifies that this also applies while DSS amends existing regulations. The bill requires DSS to post notice of its intent to adopt regulations on the eRegulations System, rather than in the Connecticut Law Journal, conforming to current practice.

EFFECTIVE DATE: July 1, 2025

§ 378 — NET OPERATING LOSS DEDUCTION FOR CERTAIN COMBINED GROUPS

Eliminates an alternative NOL rule that currently applies to certain combined groups that had more than $6 billion in NOLs from pre-2013 tax years, which subjects them to the standard NOL carry forward limitation applicable to other corporations

The combined unitary reporting law allowed combined groups with

over $6 billion in net operating losses (NOLs) from pre-2013 tax years to make a special election during the 2015 income year. This election allowed the groups to give up 50% of their pre-2015 losses in exchange for using the remaining loss carry over to reduce their tax by up to $2.5 million in any income year (before applying the corporation business tax surcharge and any tax credits) beginning in 2015. Eligible combined groups had to make this election on their 2015 income year returns. Under current law, combined groups that made this election are only subject to the standard NOL limitation (see *Background – Standard NOL Limitation*) once they have applied all of their pre-2015 operating losses in this way.

The bill sunsets this alternative NOL rule and instead requires these groups to recalculate their remaining loss carry over on their 2025 income year return as if they had not been required to give up 50% of their pre-2015 losses to make this election. It allows them to use these recalculated operating losses beginning with the 2025 income year, subject to the corporation business tax law's provisions, including the standard NOL limitation and carry forward period, based on when the losses were incurred.

EFFECTIVE DATE: Upon passage, and applicable to income years beginning on or after January 1, 2025.

Background — Standard NOL Limitation

The law's standard NOL limitation limits a corporation's NOL deduction to the lesser of (1) 50% of its pre-NOL net income or (2) the difference between the amount of NOL in the current income year and the amount carried forward from prior years.

Background — NOL Carryforward

By law, corporations may carry forward NOLs until there are used, for up to a maximum of 20 years (for losses incurred during the 2000 to 2024 income years) or 30 years (for losses incurred during the 2025 income year or after).

§ 379 — CAP ON A COMBINED GROUP'S TAX LIABILITY ON A UNITARY BASIS

Eliminates the $2.5 million cap on the amount a combined group's tax, calculated on a combined unitary basis, can exceed the tax it would have paid on a separate basis

Starting with the 2025 income year, the bill eliminates the $2.5 million cap on the amount a combined group's tax, calculated on a combined unitary basis, can exceed the tax it would have paid on a separate basis (i.e. its nexus combined base tax).

EFFECTIVE DATE: Upon passage

§ 380 — RELIEF FROM INTEREST ON ESTIMATED TAX UNDERPAYMENTS

Exempts corporation business taxpayers from interest on estimated tax because of specified tax changes under the bill

The bill exempts corporation business taxpayers from interest on underpayments of estimated tax for income years starting on or after January 1, 2025, but before the bill's passage, for any additional tax due as a result of the following corporation business tax changes made by the bill:

1. eliminating the alternative NOL rule for certain combined groups (§ 378); and

2. eliminating the $2.5 million cap on the amount a combined group's tax, calculated on a combined unitary basis, can exceed the tax it would have paid on a separate basis (§ 379).

EFFECTIVE DATE: Upon passage

§§ 381 & 382 — CORPORATION BUSINESS TAX SURCHARGE

Extends the 10% corporation business tax surcharge for three additional years, to the 2026 through 2028 income years

The bill extends the 10% corporation business tax surcharge for three additional years, to the 2026 through 2028 income years. Under current law, the surcharge expires after the 2025 income year.

As under existing law for the current surcharge, the surcharge for 2026-2028 applies to companies that have more than $250 in corporation

tax liability and either (1) have at least $100 million in annual gross income in those years or (2) are taxable members of a combined group that files a combined unitary return, regardless of the amount of annual gross income. The companies must calculate their surcharges based on their tax liability, excluding any credits.

Under the bill, the surcharge that applies to the capital base tax component of the corporation business tax applies only for the 2026 and 2027 income years because the tax is scheduled to be eliminated starting in 2028.

EFFECTIVE DATE: Upon passage

§ 383 — REFUND VALUE OF R&D AND R&E CREDITS FOR QUALIFYING SMALL BIOTECHNOLOGY COMPANIES

Increases, from 65% to 90%, the cash refund a qualifying small biotechnology company may receive for its unused R&D and R&E tax credits

The bill increases the cash refund a qualifying small biotechnology company may receive for research and development (R&D) and research and experimental (R&E) tax credits from 65% to 90% of the credit amount.

By law, this refund is available to qualified small businesses that earn R&D and R&E tax credits for R&D expenditures but cannot use them because they have no corporation business tax liability. A qualified small business is a company whose gross income for the prior year is $70 million or less, including income from transactions with related entities. The refund is capped at $1.5 million per company for each income year, and a qualified small business may carry its unused credits forward instead of applying for a cash refund. As under current law, qualifying small businesses that are not biotechnology companies may receive a refund of 65% of the credit amount.

Under the bill, a "biotechnology company" is one that applies certain technologies (e.g., biochemistry or genetics) to produce or modify products, improve plants or animals, identify targets for small molecule pharmaceutical development, transform biological systems into useful processes and products, or develop microorganisms for specific uses.

EFFECTIVE DATE: July 1, 2025, and applicable to income years beginning on or after January 1, 2025.

Background — Tax Credits for R&D Expenses

The law authorizes two corporation business tax credits for businesses incurring qualifying R&D expenses: the non-incremental R&D expenditures credit and the incremental R&E expenditures credit.

The R&D credit generally applies to R&D spending that a business incurs in the state to develop or improve a product and qualifying research payments it makes to nonprofit organizations (i.e. non-incremental R&D spending) (CGS § 12-217n). The tentative credit amount generally ranges from 1% for spending up to $50 million to 6% for spending over $200 million, except for eligible small businesses and certain companies headquartered in an enterprise zone.

The R&E credit applies to R&D spending that a business incurs in Connecticut that exceeds the amount it spent during the preceding income year (i.e. incremental R&D spending) (CGS § 12-217j). Eligible businesses receive a credit equal to 20% of their incremental R&D spending.

§§ 384, 386, 388 & 389 — TAX ON NURSING HOMES AND INTERMEDIATE CARE FACILITIES

Terminates the quarterly user fee on nursing homes and ICFs as of July 1, 2026, and instead imposes a quarterly 6% tax on their revenue; requires the tax to cease and the user fees to be reimposed if CMS determines that the tax is impermissible

Rate and Basis

Current law imposes a quarterly user fee on nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICFs) equal to (1) $16.13 for municipally owned nursing homes and facilities with more than 230 beds and $21.02 for all other nursing homes and (2) $27.76 for ICFs. The amount due from each facility is determined by multiplying the user fee by the facility's resident days for the calendar quarter.

For calendar quarters beginning on or after July 1, 2026, the bill instead imposes a 6% tax on revenue on "nursing facility service

revenue" and "ICF service revenue" that applies unless CMS determines that the tax is impermissible, as described below. Under the bill and in accordance with federal law, "nursing facility service revenue" and "ICF service revenue" is revenue for which a nursing home or ICF, as applicable, provides services that are covered under the state's Medicaid program, regardless of whether they were provided to Medicaid recipients. It excludes Medicare payments. Under the bill, the tax does not apply to ICFs operated exclusively by the state, other than those it operates as a receiver.

The bill also makes a conforming change by requiring these facilities to include the amount of their nursing facility and ICF service revenue on their quarterly returns to DRS. It also eliminates provisions allowing these facilities to request a payment extension under certain circumstances, as described below for hospitals subject to the hospital provider tax.

Exemption and Reduced Tax Rate for Certain Nursing Homes

The bill requires the DSS commissioner, before January 1, 2026, to seek federal approval from CMS to exempt certain continuing care retirement communities licensed on or before July 1, 2017, from the nursing home tax. It also requires the commissioner to seek federal approval from CMS to impose a reduced tax rate of 4.6% on nursing facility service revenue received by municipally owned nursing homes and those homes licensed for more than 230 beds. Existing law similarly requires the DSS commissioner to seek these approvals for the nursing home user fee. As under existing law for the user fee, the tax exemption and reduced rate apply only if CMS grants approval.

As under existing law, these waivers are exempt from the law requiring the DSS commissioner to submit notice of proposed Medicaid state plan amendments to the Appropriations and Human Services committees before submitting them to the federal government.

Reinstatement of the Nursing Home and ICF User Fees

The bill provides that the tax on nursing homes and ICFs will cease to apply if CMS determines that the tax is an impermissible tax under

federal law. If CMS issues such a determination, the nursing home and ICF user fees are reinstated and apply starting with the calendar quarter during which the determination was made. If the state successfully appeals the determination, the quarterly fee ceases to apply and the tax is reinstated and applies starting with the calendar quarter immediately after the appeal's final decision date.

EFFECTIVE DATE: July 1, 2026, and the provisions concerning the facilities' quarterly returns and payment extensions apply to calendar quarters starting on or after July 1, 2026.

§§ 385 & 386 — HOSPITAL PROVIDER TAX

Beginning in FY 27, requires the base year on which the hospital provider tax is calculated to be tied to an applicable federal fiscal year, rather than FY 16, and makes various corresponding changes; increases, by $375 million, the total revenue on which the tax on outpatient hospital services is calculated and requires the starting amount used to calculate the tax in later years to be increased by $25 million over the prior fiscal year; requires the DSS commissioner to seek approval from CMS to remove the exemption for children's general hospitals; makes other administrative changes to the tax

Tax Rate and Base

Inpatient Hospital Services. Under current law, the tax rate for inpatient hospital services is 6% of each hospital's FY 16 audited net revenue attributable to these services. Beginning July 1, 2026, the bill instead sets the rate at 6% of each hospital's audited net revenue for the applicable federal fiscal year (FFY), as described below, attributable to these services (i.e. the amount of revenue a hospital reports to the DRS commissioner that it received for providing inpatient hospital services during the applicable FFY, subject to adjustments as described below).

The following table indicates the applicable FFY used to calculate the tax base for both the inpatient and outpatient services components of the tax. (The FFY runs from October 1 to September 30 of the following year.)

Table: Applicable FFY Under the Bill

State FY (July 1 – June 30)	*Applicable FFY (October 1 – September 30)*
FYs 27-29	FFY 24
FYs 30-33	FFY 27

State FY (July 1 – June 30)	***Applicable FFY (October 1 – September 30)***
FY 34 and every four years after	FFY that ended in the calendar year two years before the four-year period started

Outpatient Hospital Services. Under current law, the effective tax rate on outpatient hospital services is 10.4858% for FY 26 and after. This rate is calculated based on $820 million minus the total tax imposed on all hospitals for providing inpatient services, divided by the total FY 16 audited net revenue for outpatient services.

For FY 27, the bill instead sets the rate at $1.195 billion, minus the total tax imposed on all hospitals for providing inpatient services, divided by the total audited net revenue for the applicable FFY attributable to outpatient hospital services of all hospitals required to pay the tax (i.e. the amount of revenue a hospital reports to the DRS commissioner that it received for providing outpatient hospital services during the applicable FFY, subject to adjustments as described below).

Beginning with FY 28, the bill requires the starting amount used to calculate the tax ($1.195 billion) to be increased by $25 million over the prior fiscal year (e.g., $1.220 billion for FY 28 and $1.245 billion for FY 29).

Total Audited Net Revenue. Under the bill, the tax base for both inpatient and outpatient hospital services is calculated based on the total audited net revenue attributable to these services reported to the DRS commissioner for the applicable FFY by all hospitals subject to the tax, subject to any (1) adjustments by the commissioner and (2) hospital dissolutions, cessation of operations, or disallowed exemptions, as described below.

If an audited financial statement for the applicable FFY does not report revenue for the entire fiscal year, its revenue must be calculated by projecting the amount it would have received for the entire year based proportionally on the amount reported. The same provision applies under current law when calculating FY 16 audited net revenue.

Exemption for Children's Hospitals

The bill requires the social services commissioner to seek approval from CMS to remove the hospital provider tax exemption for children's general hospitals. If CMS approves doing so, children's general hospitals that were exempt from the tax before July 1, 2026, must pay the tax on inpatient and outpatient hospital services at the same effective rates imposed on other hospitals.

By law, and under the bill, "children's general hospitals" are health care facilities licensed by the Department of Public Health (DPH) as short-term children's hospitals. They exclude specialty hospitals.

Hospital Dissolutions or Cessation of Operations

Under the bill, as under current law, the amount of hospital tax due from each hospital must be recalculated if a hospital dissolves or ceases to be subject to the hospital tax.

By law, if a hospital dissolves (i.e. ceases to operate for any reason other than a merger, consolidation, acquisition, or reorganization) or ceases for any reason to be subject to the hospital tax, the amount due from each hospital is recalculated for the following fiscal year and each year after. The bill requires these recalculations to be based on the total audited net revenue for the applicable federal fiscal year, rather than FY 16, as follows:

1. the total audited net revenue for the applicable FFY must be adjusted to exclude the audited net revenue of the hospital that dissolved or ceased to operate and

2. the effective tax rate must be adjusted so that the total tax amount to collect is proportionately redistributed among the surviving hospitals.

Under the bill, "audited net revenue for the applicable FFY" is net revenue reported in each hospital's audited financial statements, minus the amount of revenue a hospital receives from anything other than providing inpatient or outpatient hospital services. Total audited net revenue is the sum of all of these amounts for all hospitals required to

pay the tax.

By law, unchanged by the bill, if a hospital or hospitals subject to the tax merge, consolidate, are acquired by, or otherwise reorganize, then the surviving hospital is liable for the total tax imposed on the merging, consolidating, acquired, or reorganizing hospitals. The surviving hospital must also assume any outstanding liabilities from periods before the merger, consolidation, acquisition, or reorganization.

Information Reporting Requirements

Under the bill, each hospital required to pay the hospital provider tax must submit to the DRS commissioner the information he requires to calculate the audited net inpatient and outpatient revenue and net revenue for all of the hospitals for the applicable fiscal year. Each hospital must do so by January 1, 2026; January 1, 2029; and every four years after.

The amounts reported are deemed accepted on the first day of the state fiscal year, as long as the commissioner has not started an audit of the hospital before then. If he has started an audit, the hospital must comply with the commissioner's requests for additional information within 14 days of his request.

Under the bill, hospitals that do not provide the requested information by these specified dates, or fail to comply with a request for additional information, are subject to a penalty of $1,000 per day for each day the failure continues. (The same penalty applies under current law to information submissions and requests related to FY 16 audited net revenue.) And as under existing law, the commissioner may engage an independent auditor to help him with these duties and responsibilities.

Administrative Protests

The bill allows hospitals that are under an audit to file an administrative protest under the hospital provider tax to contest the DRS commissioner's determination of additional audited net revenue.

Under the bill, the commissioner must mail the taxpayer a notice by

the first day of the state fiscal year if he determines there is additional audited net revenue. The amount becomes final 14 days after he mails the notice unless the taxpayer files a written protest. If the taxpayer files a protest, the commissioner must reconsider the additional audited net revenue. The commissioner may hold a hearing if the taxpayer or its authorized representative requests one. The commissioner must mail the taxpayer a notice about his determination, which must briefly state his findings of fact and the basis for his decision that goes against the taxpayer. The commissioner's action on the taxpayer's protest becomes final one month after the notice is mailed unless the taxpayer appeals to the courts within this timeframe.

If the protest or appeal is pending on the first day of the next succeeding state fiscal year, the protesting or appealing taxpayer must use the amounts it reported to tentatively calculate the tax due until the matter is resolved. If any of these amounts is later revised under the protest or appeal, the commissioner must recalculate the amounts due for each hospital and issue assessments or refunds, as applicable, for any affected quarter.

Quarterly Reports to OPM and DSS

The bill requires the DRS commissioner to report quarterly, starting by November 15, 2026, to the DSS commissioner and the Office of Policy and Management secretary on the amount of (1) tax paid by each hospital for the most recently completed calendar quarter and (2) any delinquent hospital provider taxes, penalties, and interest owed by a hospital. However, by law, the hospital provider tax provisions do not affect the DRS commissioner's statutory obligations to keep confidential tax returns and return information, except under certain narrow conditions.

Payment Extensions Disallowed

The bill eliminates provisions allowing taxpayers subject to the hospital provider tax to request a payment extension under certain circumstances.

Specifically, current law allows taxpayers to file, on or before the date

a tax or fee payment is due, a request for a reasonable extension of time to pay the tax or fee due to undue hardship. The taxpayer must demonstrate undue hardship by a showing that it is at substantial risk of defaulting on a bond covenant or similar obligation if it were to pay the amount due on the due date. The DRS commissioner may grant an extension only if he determines that an undue hardship exists (and not for a general statement of hardship or for the taxpayer's convenience).

EFFECTIVE DATE: July 1, 2026, and applicable to calendar quarters beginning on or after July 1, 2026.

§ 387 — HOSPITAL MEDICAID SUPPLEMENTAL PAYMENTS

Increases Medicaid supplemental payments to hospitals by $140 million for FY 27 and requires this total to be increased in subsequent years by $25 million over the preceding year if the total amount of hospital provider tax collected for that year increased by $25 million over the preceding year

Under current law, and to the extent required by the settlement and related court orders, DSS must pay specified amounts in supplemental Medicaid payments to hospitals in the state.

For FY 27 and subsequent years, current law requires DSS to pay out the amount paid in FY 26 (currently set at $568.3 million) unless it is changed by state law. The bill increases, by $140 million, these required payments for FY 27 to $708.3 million. For FY 28 and after, it requires the total payments to be increased by an additional $25 million over the preceding year if the total amount of hospital provider tax collected for that year, across all hospitals subject to the tax, increased by at least $25 million over the preceding year.

The bill explicitly prohibits DSS from making these payments in a way that does not comply with applicable federal requirements and required federal approvals. This includes making payments that cause the total hospital payments in an applicable category to exceed the upper payment limit.

EFFECTIVE DATE: July 1, 2026

§§ 390 & 391 — TAX REVENUE ACCRUAL

Authorizes the state comptroller to record revenue from the tobacco products and controlling interest transfer taxes received within five business days after July 31 as revenue for the preceding fiscal year

Beginning in FY 26, the bill authorizes the state comptroller to record revenue from the tobacco products and controlling interest transfer taxes received within five business days after July 31 as revenue for the preceding fiscal year. By law, the same revenue accrual rules apply to payments from other state taxes.

EFFECTIVE DATE: July 1, 2025

§ 392 — CONNECTICUT ITINERANT VENDORS GUARANTY FUND

Transfers the Connecticut Itinerant Vendors Guaranty Fund's remaining balance to the General Fund

The bill requires the state comptroller to transfer the Connecticut Itinerant Vendors Guaranty Fund's remaining balance to the General Fund by June 30, 2026. The legislature eliminated this fund in 2017.

EFFECTIVE DATE: Upon passage

§ 393 — SALES AND USE TAX EXEMPTION FOR AMBULANCES

Exempts certain ambulances and ambulance-type vehicles from sales and use tax

The bill exempts from sales and use tax:

1. ambulance-type vehicles used exclusively to transport medically incapacitated individuals, except those used to transport these individuals for payment, and

2. ambulances operating under a license or certificate issued by DPH.

By law, DPH issues licenses or certificates, as applicable, to commercial, municipal, volunteer, nonprofit, and state agency ambulance services. Existing law already exempts sales of goods and services to municipalities, state agencies, and charitable nonprofits from sales and use tax (CGS § 12-412(1) & (8)).

EFFECTIVE DATE: July 1, 2025, and applicable to sales occurring on

or after that date.

§ 394 — SALES TAX EXEMPTION FOR CERTAIN AIRCRAFT INDUSTRY JOINT VENTURES

Extends, from 40 to 50 consecutive years, the duration of the sales and use tax exemption for qualifying aircraft industry joint ventures

The bill extends, from 40 to 50 consecutive years, the duration of the sales tax exemption for specified business services rendered between participants in certain kinds of joint ventures in the aircraft industry that existed before January 1, 1986. By law, the exemption for all other qualifying joint ventures is for 20 consecutive years from the date the joint venture is formed, incorporated, or organized.

The exemption applies to personnel; commercial or industrial marketing, development, testing, and research; and business analysis and management services rendered under a joint venture agreement. An aircraft industry joint venture qualifies for the exemption if each participant's ownership interest is equal to the aggregate ownership interest percentage of each related member participating in the venture. Other joint ventures qualify if the company providing the service owns at least 25% of the joint venture.

In either case, to qualify for the exemption, (1) a joint venture's purpose must relate directly to producing or developing new or experimental products or systems and supporting and marketing them; (2) one of its corporate participants must have been actively engaged in business in Connecticut for at least 10 years; and (3) the entity receiving services must be either a corporation, partnership, or limited liability company and the one giving services must be its corporate shareholder, partner, or member, respectively.

EFFECTIVE DATE: July 1, 2025

§ 395 — DUES TAX EXEMPTION

Increases the threshold for exempting annual dues and initiation fees from the state's 10% dues tax from $100 to $250

The bill increases, from $100 or less to $250 or less, the annual dues and initiation fees that are exempt from the state's dues tax. The 10%

dues tax applies to amounts paid as dues or initiation fees to any social, athletic, or sporting club (i.e. organizations owned, operated, or owned and operated, by members). The tax is imposed on the club, but then reimbursed by its members.

By law, the following are also exempt from the tax:

1. clubs sponsored or controlled by a charitable or religious organization, government agency, or nonprofit educational institution;

2. any society, order, or association operating under the lodge system or any local fraternal organization among college or university students; and

3. lawn bowling clubs.

EFFECTIVE DATE: July 1, 2025

§ 396 — EARNED INCOME TAX CREDIT INCREASE

Increases the state EITC by $250 for taxpayers with at least one qualifying child

Under current law, Connecticut residents who qualify for, and claim, the federal earned income tax credit (EITC) may claim a refundable state EITC equal to 40% of the federal credit for the same tax year. The bill increases the credit's amount by $250 for eligible taxpayers with at least one qualifying child for federal income tax purposes.

Under federal law, people who work and earn incomes below certain levels qualify for the EITC. Credit amounts vary according to a taxpayer's income and the number of children he or she has. Based on the federal EITC for 2025, the maximum state EITC for the 2025 tax year ranges from $260 for filers with no children, to $1,731 for filers with one child, and $3,218 for filers with three or more children. If the state credit exceeds the taxpayer's state income tax liability, he or she receives the difference as an income tax refund.

EFFECTIVE DATE: Upon passage, and applicable to tax years beginning on or after January 1, 2025.

§ 397 — INCOME TAX CREDIT FOR FAMILY CHILD CARE HOME OWNERS

Establishes a refundable income tax credit for taxpayers who own a state-licensed family child care home

The bill establishes a refundable income tax credit for taxpayers who own a state-licensed family child care home. The credit equals $500 and applies against the personal income tax, but not the withholding tax.

If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member limited liability company (LLC) that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to the personal income tax.

If the credit exceeds the taxpayer's liability, the bill requires the DRS commissioner to treat the excess as an overpayment and refund it without interest. By law, and under the bill, the DRS commissioner may withhold tax refunds to pay outstanding liabilities for other taxes and to reimburse the state for certain debts.

EFFECTIVE DATE: January 1, 2026, and applicable to tax years starting on or after that date.

Background — Family Child Care Homes

Family child care homes are state-licensed, private family homes generally caring for up to six children (or nine children, if the provider employs an approved staff member), including the provider's own children, who are not in school full-time. During the school year, the homes may take up to three additional children who are in school full-time. These homes generally provide between 3 and 12 hours of care per day (with specified exceptions for extended care or intermittent short-term overnight care) (CGS § 19a-77(a)(3)).

§ 398 — FARM INVESTMENT TAX CREDIT

Creates a refundable business tax credit for farmers' investments in eligible machinery, equipment, and buildings equal to 20% of the amount spent or incurred on the eligible property

Eligible Farmers

The bill creates a refundable business tax credit for farmers' investments in eligible machinery, equipment, and buildings. Under the bill, a farmer is eligible for the credit if he or she is a Connecticut taxpayer whose federal gross income from farming for the income or tax year is at least two-thirds of their federal gross income from all sources over $30,000 (i.e. "excess federal gross income"). Taxpayers may use a three-year average when determining their income eligibility, calculated using their federal gross income from farming for the respective income or tax year and the two previous consecutive years.

Eligible Property and Agricultural Production

Under the bill, the credit is 20% of the amount eligible farmers paid or incurred for eligible property in the applicable income or tax year. Eligible property ("farm investment property") includes:

1. machinery and equipment purchased by an eligible farmer on or after January 1, 2026, and

2. buildings and structural components an eligible farmer acquired, constructed, reconstructed, or erected and placed in service on or after that date.

In either case, the farm investment property must (1) be located in the state; (2) have a class life of more than four years, as determined under specified IRS rules; and (3) be held and used in the state by an eligible farmer in the course of "agricultural production" for at least five years after being acquired or placed in service. Property is not eligible if it is (1) acquired from a related person (e.g., other business entities controlled by the farmer) or (2) leased or acquired to be leased to another person during the first 12 months after being acquired or placed into service.

Under the bill, "agricultural production" is engaging in any of the

following as a trade or business: (1) raising or harvesting any agricultural or horticultural commodity; (2) dairy farming; (3) forestry; (4) raising, feeding, caring for, shearing, training, or managing livestock; or (5) raising and harvesting fish, oysters, clams, mussels, or other molluscan shellfish.

Credit Claims and Refunds

Under the bill, farmers may claim the tax credit against the corporation business tax or the personal income tax (but not the withholding tax). Taxpayers who do so may not claim any other state tax credit for the same investment.

If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member LLC that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to corporation business or personal income tax.

If a farmer's credit amount exceeds his or her tax liability, the DRS commissioner must treat the excess as an overpayment and refund the excess amount to the farmer without interest. By law, and under the bill, the DRS commissioner may withhold tax refunds to pay outstanding liabilities for other taxes and to reimburse the state for certain debts.

Credit Recapture

The bill imposes a credit recapture requirement that applies for five years after the property is acquired. Specifically, the farmer must repay (1) 100% of the credit if the property is no longer held or used in the state for agricultural production within the first three years after it was acquired or (2) 50% of the credit if this occurs within the fourth or fifth year. The farmer must repay the recaptured amount on his or her tax return for the income or tax year immediately after the year in which the three- or five-year period expires, as applicable.

Recapture payments that are not paid within three months after the income or tax year ends are subject to interest at the rate of 1% per month

or partial month. Under the bill, the recapture requirements do not apply to property for which the farmer received a credit and subsequently replaced. The bill specifies that this replacement property is not eligible for the credit.

EFFECTIVE DATE: January 1, 2026, and applicable to income and tax years beginning on or after that date.

§ 399 — CHET CONTRIBUTION TAX CREDIT

Establishes a new business tax credit for employer contributions to a qualifying employee's CHET account

The bill establishes a new business tax credit for contributions employers make to a qualifying employee's Connecticut Higher Education Trust (CHET) account. The credit equals 25% of the employer's contribution and is capped at $500 per employee per income or tax year. Taxpayers may apply the credit against the corporation business, insurance premiums, or personal income taxes (but not the withholding tax).

Under the bill, employers may receive a tax credit for contributions they make to their employees' CHET accounts as long as the employees are not the employer's owners, members, partners, or family members. If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member limited LLC that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to insurance premiums, corporation business, or personal income tax.

EFFECTIVE DATE: July 1, 2025, and applicable to income and tax years starting on or after January 1, 2025.

§§ 400-408 — CHET PROGRAM CHANGES

Makes various changes to the CHET program statutes, primarily to (1) align the program's statutes with federal law and current practice, (2) explicitly allow CHET account owners to make federally tax-exempt rollover distributions from their CHET accounts, (3) explicitly authorize the treasurer to retain investment advisors to make CHET trust fund investments on his behalf, (4) eliminate the statutory framework for the CHET Baby Scholars Fund program and its related account, and (5) eliminate the ability for taxpayers to contribute any portion of their state income tax refund to the Baby Scholars Fund and instead allow them to contribute their refunds to the Connecticut Baby Bonds Trust

Definitions

The bill makes a number of changes to CHET program definitions to generally align with current practice and federal law.

Specifically, it replaces references to "depositors" (anyone making a deposit or payment to the trust under a participation agreement) with references to "account owners" (owners or successor owners of an account in CHET that was established under a participation agreement and into which contributions are made for the account's designated beneficiary's qualified higher education expenses). It also replaces the current definitions of "designated beneficiary" and "eligible educational institution" with the substantively similar definitions in the federal 529 program law.

It also incorporates the federal definition of "qualified higher education expenses." Under current law, these expenses include tuition, fees, books, supplies, and equipment required for attending an eligible educational institution and any other higher education expenses that federal law may allow in the future. Under federal law, they also include specified (1) expenses for special needs services connected with enrolling in or attending the school; (2) computer, software, and internet access expenses; (3) tuition expenses for elementary and secondary public, private, or religious schools; (4) expenses associated with registered apprenticeship programs; and (5) qualifying student loan repayments.

Investment Advisors

The law requires the state treasurer to invest the trust in a reasonable way to achieve its objectives; exercise a prudent person's care and

discretion; and consider such things as rate of return, risk, maturity, and portfolio diversification, among other things. The bill authorizes him to retain investment advisors to make these investments. Under the bill, he may delegate to these advisors the authority to act in his place to (1) invest or reinvest the trust's deposits and (2) hold, buy, sell, assign, transfer, or dispose of the securities and investments in which the deposits have been invested and their proceeds. These investment advisors must be registered with the Securities and Exchange Commission unless they are exempt from doing so under federal law.

The bill requires the investment advisors to make these investments (1) solely in the interest of account owners and designated beneficiaries and (2) only to provide benefits to designated beneficiaries for qualified higher education expenses and defray the trust's and CHET accounts' reasonable expenses.

Income Disregard

Current law requires CHET investments to be disregarded as assets in determining a person's eligibility for the (1) Temporary Family Assistance program, (2) Low Income Home Energy Assistance Program, and (3) federally funded weatherization assistance program. The bill instead requires that any CHET account contributions and federally tax-exempt distributions (including those for qualified higher education expenses) be disregarded when determining a person's eligibility for any means-tested public assistance program administered by the state or its political subdivisions.

As under existing law, CHET investments must also be disregarded in determining a person's eligibility for need-based institutional grants offered at the state's public colleges and universities.

Rollover Distribution

The bill explicitly allows account owners to transfer money from a CHET account via any federally tax-exempt rollover distribution allowed under the federal 529 program law. Under this law, amounts distributed from a 529 plan are generally tax-exempt if they are rolled over (or transferred) to (1) another 529 account (for the beneficiary or a

family member); (2) an Achieving a Better Life Experience (ABLE) account (for the beneficiary or a family member); or (3) a Roth IRA, subject to certain conditions and limitations.

CHET Baby Scholars Fund and Program

Incentive Payments. The bill eliminates the statutory authorization for the CHET Baby Scholars program, which provides state incentive payments for people who establish CHET plans. Under current law, a plan qualifies for these payments if the child was born or legally adopted on or after January 1, 2014, and lives in Connecticut when the state makes the payments. The bill similarly eliminates the dedicated account (CHET Baby Scholars Fund) to fund these payments. The state treasurer's office currently offers these incentive payments through its contract with the CHET program administrator.

Under current law, the treasurer must make up to two incentive payments to the savings plan of a participating child: (1) an initial $100 payment for accounts opened by a child's first birthday or within one year after the child's legal adoption and (2) a subsequent $150 payment if the plan received at least $150 in deposits (excluding the treasurer's initial $100 contribution) before the child's fourth birthday or within four years after his or her legal adoption. In practice, the CHET program currently offers only the initial $100 contribution.

Income Tax Refunds. The bill eliminates provisions allowing taxpayers to contribute any portion of their state income tax refund to the CHET Baby Scholars Fund and instead allows them to contribute to the Connecticut Baby Bond Trust (see *Background — Connecticut Baby Bond Trust Program*).

The bill also eliminates provisions that require the revenue services commissioner to modify tax return forms to include specified information on the CHET program and CHET Baby Scholars Fund, including spaces for taxpayers to indicate (1) their intentions to contribute a portion of their returns to a designated plan beneficiary or the CHET Baby Scholars Fund and, (2) if applicable, the beneficiary's name and Social Security number.

EFFECTIVE DATE: July 1, 2025

Background — Connecticut Baby Bond Trust Program

Under the state's baby bonds program, up to $3,200 is invested in a state trust on behalf of each baby born on or after July 1, 2023, whose birth was covered under HUSKY (designated beneficiaries). Once they reach age 18, designated beneficiaries may receive the funds, including any investment earnings, to be used for an eligible expenditure (e.g., for education, buying a home or investing in a business in Connecticut, or personal financial investments). To qualify for a disbursement, a designated beneficiary must (1) be between the age of 18 and 30, (2) complete the program's financial literacy requirement, and (3) reside in Connecticut at the time of the claim.

§§ 409 & 410 — UCONN TAX CREDIT INCENTIVE PROGRAM

Authorizes UConn to set up and administer a tax credit incentive program to promote and publicly recognize the university and its programs, services, and mission; creates a 50% tax credit for payments made to UConn according to qualified agreements under this program; caps the total credits allowed for each calendar year at $5 million and for each taxpayer at $500,000 per tax or income year

The bill authorizes UConn to set up and administer a tax credit incentive program to promote and publicly recognize the university and its programs, services, and mission. It requires UConn to adopt, update, and implement any policies and procedures needed to implement this program. The bill creates a tax credit for amounts people, businesses, or entities paid to UConn according to a written agreement with the university under this program ("qualified agreement"). The credit applies to payments made under agreements executed on or after (1) July 1, 2025, or (2) an earlier date on which the university adopts or updates its policies and procedures.

The credit equals 50% of the payments made for the tax or income year, as applicable, and is capped at $500,000 per taxpayer for each tax or income year. The bill caps the total credits allowed for each calendar year at $5 million.

EFFECTIVE DATE: Upon passage, and applicable to tax and income years beginning on or after January 1, 2025.

Credit Claims

The bill allows taxpayers (people, businesses, and entities, whether or not they are subject to any state taxes) to apply the credit against the personal income tax (but not the withholding tax) and specified business taxes (corporation business, insurance premiums, pass-through entity, air carriers', railroad companies', cable and satellite TV companies', and utility companies' taxes). In the case of corporation business taxpayers, it allows them to use the credit to reduce up to 100% of their tax liability by exempting the credit from the law that generally limits total credits to 50.01% of a company's tax liability (or 70% for certain credits).

If the taxpayer is an S corporation or treated as a partnership for federal income tax purposes, the taxpayer's shareholders and partners may claim the credit. If the taxpayer is a single member LLC that is disregarded for federal tax purposes, the LLC's owner may claim the credit as long as the owner is subject to any of the taxes specified above.

Under the bill, taxpayers may carry forward unused credits for 15 years until they are fully taken.

Applications to Reserve Credits

Under the bill, taxpayers that are subject to one of the specified taxes may apply to UConn to reserve a credit allocation. UConn must prescribe the application, which must include the information the university finds necessary to administer the tax credit program. The university must reserve credit allocations for taxpayers that meet the bill's requirements on a first-come, first-served basis.

Credit Vouchers

Taxpayers must request a credit voucher from UConn to claim the credit on their tax returns. In doing so, they must give UConn any documentation it requires to verify the payments made under a qualified agreement. Once verified, UConn must issue the taxpayer a voucher for 50% of the payments made, subject to the credit limits described above. The taxpayer must file this voucher with its state tax return for the tax or income year in which the payments were made and

the DRS commissioner must grant it a credit for the amount specified in the voucher.

If a taxpayer requests a voucher for an amount that exceeds the amount of their reserved credit allocation, UConn may issue a voucher for the amount requested only if (1) there is room under the aggregate cap for that year and (2) the taxpayer provides the required documentation to verify the amount paid under the qualified agreement.

The bill similarly allows UConn to issue a credit voucher to a taxpayer that did not reserve a credit allocation if (1) there is room under the aggregate cap for that year and (2) the taxpayer provides the documentation needed to verify the payments made under the qualified agreement. However, UConn must give taxpayers with reserved credit allocations priority for the credits over taxpayers that did not reserve a credit.

Reporting Requirement

The bill requires UConn to annually report as follows:

1. starting by January 31, 2026, it must give DRS a list of the vouchers issued for the preceding calendar year and their amounts; and

2. starting by March 31, 2026, it must give the Finance, Revenue and Bonding and Higher Education and Employment Advancement committees a report summarizing, for the preceding calendar year, (a) the number and amounts of credits reserved and vouchers issued and (b) any other information it deems informative to monitor the program.

§ 411 — VOLATILITY CAP THRESHOLD

Sets the volatility cap threshold at $4,079.3 million for FY 25 and $4,728.6 million for FY 26; requires the cap to be adjusted for inflation for FY 27 and after

The bill sets the volatility cap threshold at $ 4,079.3 million for FY 25 and $4,728.6 million for FY 26. For FY 27 and after, it requires the $4,728.6 million threshold to be annually adjusted for inflation as under

current law (i.e. based on the compound annual growth rate of state personal income over the preceding five calendar years, using U.S. Bureau of Economic Analysis data).

The "volatility cap" is a mechanism for diverting volatile tax revenue to the Budget Reserve Fund (BRF). It requires the state treasurer to transfer to the BRF any revenue the state receives each fiscal year in excess of the applicable threshold amount from (1) personal income tax estimated and final payments (generated from taxpayers who make estimated income tax payments on a quarterly basis) and (2) the pass-through entity tax. Current law sets the threshold at $3,150 million and requires that it be annually adjusted for personal income growth, as described above. The threshold is $3,929.3 million for FY 25.

By law, the legislature may amend the threshold amount, by a vote of three-fifths of the members of each house, due to changes in state or federal tax law or policy or significant adjustments to economic growth or tax collections.

EFFECTIVE DATE: June 30, 2025

§ 412 — DRS TAX GAP REPORT

Extends the deadline for DRS to submit its next tax gap report by one year and requires the agency to submit future reports every two years rather than annually

Current law requires DRS to annually estimate and analyze the state's "tax gap," develop a strategy to address it, and report certain information to the legislature. The bill delays the next required tax gap report by one year, from December 15, 2025, to December 15, 2026, and requires DRS to submit subsequent reports every two years, rather than annually.

By law, the "tax gap" is the difference between (1) state taxes and fees owed under full compliance with all state tax laws and (2) the state taxes and fees voluntarily paid, which may be caused by failing to file taxes, underreporting tax liability, or not paying all taxes and fees owed.

By law, DRS must, by July 1, 2025, publish a plan on its website that includes the department's measurable goals for closing the tax gap,

specific strategies for achieving the goals, and a timetable to measure progress toward closing the gap. Current law requires DRS to update this plan annually. The bill instead requires it to update the plan as part of its biennial update of the tax gap report.

EFFECTIVE DATE: Upon passage

§ 413 — DRS TAX INCIDENCE REPORT

Limits, from every two years to every four years, the frequency with which DRS's tax incidence report must include incidence projections for the property tax and any other tax that generated $100 million or more in the fiscal year before the report's submission

Current law requires DRS's biennial tax incidence report to provide, for the 10 most recent years for which complete data are available, the overall incidence of specified taxes. Starting with the report due in 2025, the bill limits, from every two years to every four years, the frequency with which the report must include incidence projections for the property tax and any other tax that generated $100 million or more in the fiscal year before the report's submission. As under current law, each biennial report must continue to include projections of the income tax, pass-through entity tax, sales and excise taxes, and corporation business tax. It also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

§§ 414 & 415 — PAYING DOWN SPECIAL TRANSPORTATION FUND-SUPPORTED DEBT

Extends and makes permanent a change made in 2024 requiring that a portion of the STF's remaining balance at the end of the fiscal year be deemed appropriated to pay off STF-supported debt

The bill extends and makes permanent a change made in 2024 requiring that a portion of the Special Transportation Fund's (STF) remaining balance at the end of the fiscal year be deemed appropriated to pay off STF-supported debt. PA 24-151, § 124, authorized a similar one-year appropriation only for FY 24.

Under the bill, beginning with FY 25, if the remaining balance in the STF after the accounts have been closed for the fiscal year and any required transfers have been made exceeds 18% of the fund's net appropriations for the current fiscal year, the state treasurer must use

the excess to pay down certain STF-supported debt, as he determines to be in the state's best interest. Specifically, he may use this excess amount for any one or a combination of the following:

1. to redeem any outstanding STF-supported debt (special tax obligation indebtedness of the state) before its maturity;

2. to buy outstanding STF-supported debt in the open market, at prices and under terms and conditions the treasurer determines, to pay off or defease (zero out) the debt; or

3. to defease outstanding STF-supported debt by irrevocably placing funds in escrow that are dedicated to, and sufficient to satisfy, scheduled principal and interest payments on the debt.

The bill requires that any method the treasurer selects reduces the projected debt service for the current fiscal year and each of the following nine fiscal years. For the second fiscal year after the fiscal year in which the balance was used, and each of the following seven fiscal years, the projected debt service reduction must not vary by more than (1) $1 million or (2) 10% of the smallest projected debt service reduction for the following seven fiscal years, whichever is greater.

The bill requires the treasurer to report on his use of these excess funds in his annual report to the governor. Specifically, for any fiscal year in which the treasurer used a portion of the STF's remaining funds as described above, he must report the amount and method used and the projected debt service savings for the specified fiscal years. He must also include a statement that these savings do not exceed the bill's maximum allowable variance.

EFFECTIVE DATE: Upon passage

§ 416 — SOURCING REVENUE TO MUNICIPALITIES

Requires the DRS commissioner to track and record the source of state sales and use, personal income, and corporation business tax revenue to accurately and fairly attribute the revenue from each of these taxes to municipalities

Starting with FY 26, the bill requires the DRS commissioner to track and record the source of state sales and use, personal income, and

corporation business tax revenue to accurately and fairly attribute the revenue from each of these taxes to municipalities. The commissioner must determine the sourcing method for attributing this revenue to each municipality, but, in doing so, he must source (1) sales and use and corporation business tax revenue to each municipality in which the taxpayer has an office or facility in Connecticut and (2) personal income tax revenue from earned income, to the extent possible, to the municipality in which the employer's office or facility is located for any employees who primarily work at these locations.

The bill requires taxpayers paying these taxes to provide disaggregated information and any other data the commissioner requests to carry out these requirements. Annually, starting by October 31, 2026, the commissioner must post on DRS's website a list of all municipalities and the amount of revenue from each of these taxes attributed to each one for the applicable fiscal year.

EFFECTIVE DATE: Upon passage

§ 417 — ADDITIONAL DEDUCTION FOR CERTAIN COMBINED GROUPS AFFECTED BY COMBINED REPORTING

Modifies the income year used to calculate a specific corporation business tax deduction for certain combined groups

Existing law allows certain combined groups, beginning with the 2026 income year, to take a corporation business tax deduction to offset certain balance sheet adjustments that resulted from the state's shift to combined reporting. The deduction is for 30 years and equals 1/30th of the amount necessary to offset the increase in their "valuation allowance" against net operating losses and tax credits in Connecticut. (A "valuation allowance" is the portion of a deferred tax asset for which it is likely that a tax benefit will not be realized, as determined under generally accepted accounting principles.)

The bill requires the increase in valuation allowance to be calculated based on the change reported in the combined group's financial statements for the 2015 income year, rather than 2016 income year as current law requires.

EFFECTIVE DATE: Upon passage

§ 418 — LOCAL OPTION HOMESTEAD PROPERTY TAX EXEMPTION

Allows municipalities that adopt a local option homestead exemption to limit its eligibility by (1) capping the assessed value of qualifying dwellings, (2) requiring owners to have lived in the property for a specified period of time to qualify, or (3) implementing both

The bill allows municipalities that adopt a local option homestead exemption to limit its eligibility by (1) capping the assessed value of qualifying dwellings, (2) requiring owners to have lived in the property for a specified period of time to qualify, or (3) implementing both.

A 2024 law authorized municipalities to exempt between 5% and 35% of the assessed value of owner-occupied single-family homes and duplexes, including condominiums and common interest community units (PA 24-151, § 71). Municipalities that choose to adopt this exemption must do so by vote of their legislative bodies (or board of selectmen if the legislative body is a town meeting).

EFFECTIVE DATE: Upon passage

§ 419 — CIGARETTES

Modifies the definition of "cigarettes" under the state's cigarette tax and other laws to, among other things, explicitly include any roll, stick, or capsule of tobacco intended to be heated under ordinary conditions of use

Definition

The bill modifies the definition of "cigarette" under the cigarette tax law to generally align it with the definition in the tobacco master settlement agreement (MSA) law (the 1998 agreement between Connecticut and leading tobacco companies).

The cigarette tax law broadly defines a cigarette as a roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether the tobacco is flavored, adulterated, or mixed with any other ingredient. The roll must have a wrapper or cover made of paper or any other material, and a roll with a wrapper made of homogenized tobacco or natural leaf tobacco and that is a cigarette size of three pounds or less per thousand is also considered a cigarette and subject to the tax. If the wrapper is made entirely or mostly of tobacco and the roll weighs more

than three pounds per thousand, it is excluded from the definition.

Under the bill, as under the MSA law, a "cigarette" is any product that contains nicotine, is intended to be burned or heated under ordinary use, and consists of or contains the following:

1. a paper-wrapped roll of tobacco or roll of tobacco wrapped in any substance not containing tobacco;

2. tobacco in any form that is functional in the product and is likely to be offered to or purchased by a customer as a cigarette because of its appearance, the type of tobacco in the filler, or its packaging or label; or

3. a roll of tobacco wrapped in any substance containing tobacco and likely to be offered to or purchased as a cigarette as described above.

As under current law, a roll that weighs over three pounds per thousand and has a wrapper made entirely or mostly of tobacco is excluded.

The bill explicitly includes a roll, stick, or capsule of tobacco, regardless of its shape or size, that is generally intended to be heated. As under the current law, a roll is also considered a cigarette if it has a wrapper made of homogenized tobacco or natural leaf tobacco and is a cigarette size that weighs three pounds or less per thousand.

Related Laws

By modifying the definition of cigarette for purposes of the cigarette tax, the bill potentially expands the products subject to this tax (see *Background — Cigarette Tax*) and the existing restrictions on selling, giving, or delivering cigarettes to people under 21. It also potentially expands the distributors, retailers, and manufacturers subject to the existing laws and restrictions on selling cigarettes in Connecticut. This includes laws requiring:

1. anyone whose business includes selling cigarettes in Connecticut

to have either a cigarette dealer's or cigarette distributor's license from DRS,

2. those that intend to distribute cigarettes in Connecticut to have a cigarette distributor's license, and

3. tobacco product manufacturers to get and maintain a cigarette manufacturer's license and either (a) enter into and perform financial obligations under the tobacco settlement agreement or (b) pay into a qualified escrow account for each cigarette they sell in the state.

It also potentially expands the products that factor into the qualifying criteria for firefighter cancer relief benefits. By law, to qualify for the benefits, among other things, a firefighter must not have used cigarettes, as defined under the cigarette tax law, during the 15 years before the cancer diagnosis.

EFFECTIVE DATE: July 1, 2025

Background — Cigarette Tax

The cigarette tax is 217.5 mills per cigarette or $4.35 per pack of 20. The tax is reduced by 50% for "modified risk tobacco products," as determined by the U.S. Department of Health and Human Services secretary (CGS § 12-296). Modified risk tobacco products are tobacco products sold or distributed for use to reduce harm or the risk of tobacco-related disease associated with commercially marketed tobacco products (21 U.S.C. § 387k).

§§ 420 & 421 — E-CIGARETTES

Imposes restrictions and penalties on e-cigarettes similar to those that apply to cigarettes under existing law; specifically requires e-cigarette sellers to ask prospective buyers to present a driver's license, passport, or ID card to verify that they are at least 21 years old and allows them to use electronic scanners to check a passport's validity, just as current law allows them to for driver's licenses and ID cards; increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor

Shipping and Transporting Restrictions

The bill places restrictions on in-state shipping and transporting of e-cigarettes that are similar to those in law for cigarettes.

Authorized Recipients. Specifically, businesses may only ship or transport e-cigarettes to a (1) Department of Consumer Protection (DCP)-registered e-cigarette dealer or manufacturer or (2) government employee, officer, or agent acting within his or her official duties. The bill relatedly requires the DCP commissioner to publish on the department's website a list of each person that holds a dealer or manufacturer registration. It prohibits common or contract carriers or anyone else from knowingly delivering e-cigarettes to a residence or to someone in Connecticut they reasonably believe is not one of these authorized recipients.

Packaging Requirement. The bill requires e-cigarette sellers shipping or transporting e-cigarettes to these authorized recipients to plainly and visibly mark the packages when they do not ship them in their original container or wrapping. Specifically, the packages must state the following: "CONTAINS AN ELECTRONIC NICOTINE DELIVERY SYSTEM OR VAPOR PRODUCT – SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY." It also requires these sellers to make the deliveries conditional on the customer signing an acknowledgement of receipt and presenting proper proof of age.

The bill eliminates similar packaging and age verification requirements that currently apply to e-cigarette dealers selling and shipping e-cigarettes to in-state consumers.

Seizure. Under the bill, e-cigarettes shipped or transported in violation of these provisions are contraband and subject to confiscation, storage, and destruction. The shipper or transporter is liable for all confiscation, storage, and destruction costs.

Penalties. The bill makes a first violation of these provisions a class B misdemeanor, punishable by up to six months in prison, up to a $1,000 fine, or both, and subsequent violations a class A misdemeanor, punishable by up to 364 days in prison, up to a $2,000 fine, or both. The DRS commissioner may also impose a maximum civil penalty of $10,000 for each violation, where each shipment or transport is a separate

offense.

Age Verification Requirements

Proof of Age. Connecticut law makes it illegal to sell, give, or deliver e-cigarettes to a minor (under age 21) and requires sellers and their agents or employees to ask a prospective buyer who appears to be under age 30 for proper proof of age, in the form of a driver's license, valid passport, or ID card. Sellers are prohibited from selling an e-cigarette to someone who does not provide this proof.

The bill additionally requires sellers and their agents or employees to ask all prospective buyers to present a driver's license, passport, or ID card to prove that they are 21 or older. A similar requirement applies under existing law to cigarette and tobacco product purchases.

Electronic Scanners. Existing law allows sellers to verify a prospective buyer's age by using an electronic scanner to check the validity of the buyer's driver's license or ID card. The bill additionally allows them to use these scanners to check a passport's validity. It makes various conforming changes to the electronic scanner laws, including:

1. barring the sale if the scan fails to match the information on the passport,

2. limiting the information that can be recorded and kept from a scan to the passport holder's name and birthdate and the passport's expiration date and identification number, and

3. allowing an affirmative defense in prosecutions for selling e-cigarettes to minors where the seller relied on a scan indicating a valid passport.

The same provisions apply to driver's licenses and ID cards under existing law. The bill also eliminates a provision allowing sellers to use an electronic scanner to check the validity of documents other than driver's licenses and ID cards if they have a scannable bar code or magnetic strip.

By law, violators of these provisions are subject to a civil penalty of up to $1,000.

Fines for Underage Sales. The bill increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor to $1,000 for each offense, rather than the current maximum fines of:

1. $300 for a first offense;

2. $750 for a second offense committed within 24 months of the first offense; and

3. $1,000 for each subsequent offense committed within those same 24 months.

By law, the fines do not apply to anyone who sells, gives, or delivers e-cigarettes to, or receives them from, a minor who receives or delivers them (1) as an employee or (2) as part of a qualifying scientific study.

Dealer Registration Suspension or Revocation. The bill authorizes the DCP commissioner to suspend or revoke an e-cigarette dealer's registration for violating any provision of these age verification laws.

EFFECTIVE DATE: July 1, 2025

§ 422 — PILOT PROGRAM TO COLLECT CERTAIN DELINQUENT STATE TAXES

Requires the OPM secretary and DRS commissioner to set up a pilot program to collect unpaid state taxes, penalties, and interest due from anyone receiving payments from a state agency

The bill requires the Office of Policy and Management (OPM) secretary and DRS commissioner to set up a pilot program to collect unpaid state taxes, penalties, and interest due from anyone receiving payments from a state agency (i.e. any state department, board, council, commission, institution, or other state executive branch agency). They must (1) design the program to minimize the administrative burdens on DRS and other state agencies and (2) present it to the Finance, Revenue

and Bonding Committee by January 1, 2026.

EFFECTIVE DATE: Upon passage

§ 423 — HOUSING TAX CREDIT CONTRIBUTION PROGRAM PROCEDURES

Eliminates the requirement that the DRS commissioner approve CHFA's written procedures to implement the Housing Tax Credit Contribution program

The bill eliminates the requirement that the DRS commissioner approve the Connecticut Housing Finance Authority's (CHFA) written procedures to implement the Housing Tax Credit Contribution program. By law, CHFA administers this program, which provides tax credits to businesses making cash contributions of at least $250 to nonprofits that develop, sponsor, or manage housing programs benefitting low- and moderate-income households. The law requires CHFA to adopt written procedures to implement the program, including a ranking system for awarding the tax credits.

EFFECTIVE DATE: Upon passage

§§ 424 & 425 — ANNUAL ASSESSMENTS ON THE TRIBES

Shifts, from DRS to DCP, the responsibility for issuing annual assessments to the Mashantucket Pequot and Mohegan tribes

The bill shifts, from DRS to DCP, the responsibility for issuing annual assessments to the Mashantucket Pequot and Mohegan tribes for regulatory costs incurred by state agencies that are reimbursable under the compacts the state entered into with the tribes.

EFFECTIVE DATE: Upon passage

§ 426 — INCOME TAX WITHHOLDING FOR CERTAIN RETIREMENT INCOME DISTRIBUTIONS

Temporarily suspends the income tax withholding requirement on lump sum distributions from pensions, annuities, and other specified sources

The bill suspends the income tax withholding requirement on lump sum distributions from pensions, annuities, and other specified sources from July 1, 2025, through December 31, 2026. But it requires payers (e.g., retirement plan servicers) to withhold taxes from these distributions if the payee has requested it.

By law, a "lump sum distribution" is a payment greater than $5,000 or more than 50% of the payee's entire account balance, whichever is less, excluding any other tax withholding and any administrative charges and fees. Under current law, withholding is required for these distributions, unless (1) any portion of it was previously taxed, (2) it is a rollover trustee-to-trustee transfer, or (3) it is a direct rollover by a check made payable to another qualified account.

By law, as of January 1, 2025, income tax withholding is required for other (non-lump sum) distributions from pensions, annuities, and other specified sources only if the payee requests it.

EFFECTIVE DATE: July 1, 2025

§§ 427 & 428 — CONCENTRATED POVERTY CENSUS TRACTS

Expands the agencies and entities involved in developing a 10-year plan to reduce the levels of concentrated poverty in a designated concentrated poverty census tract; requires the DECD commissioner, by September 1, 2025, to submit an additional progress report to the legislature on the 10-year plan's development; eliminates a related working group

The bill expands the agencies and entities involved in developing a 10-year plan to reduce the levels of concentrated poverty in a designated "concentrated poverty census tract" participating in a Department of Economic and Community Development (DECD) pilot program (see *Background — Concentrated Poverty Census Tract Pilot Program*).

Under current law, DECD's Office of Neighborhood Investment and Community Engagement must develop this plan in consultation with DECD's Office of Community Economic Development Assistance, OPM, the Office of Workforce Strategy, Office of Early Childhood, State Department of Education, applicable community development corporations serving the participating tract or tracts, applicable municipal chief elected officials, and any other public or private entity the DECD commissioner finds relevant or necessary to achieve these purposes. The bill additionally requires the office to consult with DECD, the Department of Housing, and the regional workforce development board that serves the participating area.

The bill also requires the DECD commissioner, by September 1, 2025,

to submit an additional progress report to the Finance, Revenue and Bonding Committee on the 10-year plan's development. By law, he must also report his progress to the committee by June 1, 2025, and submit the finished plan to the General Assembly by January 1, 2026.

Lastly, the bill eliminates provisions establishing a seven-member working group of legislators to develop a guidance document by April 1, 2025, that sets a framework for (1) best practices and any initiatives or actions it believes will mitigate the effects of concentrated poverty and (2) specific metrics to include in the 10-year plan. (The working group has not met.)

EFFECTIVE DATE: Upon passage

Background — Concentrated Poverty Census Tract Pilot Program

In 2024, the legislature created a pilot program aimed at reducing concentrated poverty in the state. Under this program, a new office within DECD must develop a 10-year plan for a participating "concentrated poverty census tract" (i.e. a tract in which at least 30% of households have incomes below the federal poverty level (FPL)) together with specified state agencies, local officials, and a community development corporation established by community members to help implement it.

Starting on the date DECD submits the 10-year plan to the legislature, state agencies must give priority to the projects included in the plan for any grants or funding programs they award or administer for which the projects may be eligible. These projects also have priority for specified state funding (e.g., Community Investment Fund 2030 funding) subject to each program's existing criteria.

Background — 10-Year Plan

By law, DECD's Office of Neighborhood Investment and Community Engagement must develop a 10-year plan for the participating tract or tracts to reduce the levels of concentrated poverty in the area served by the CDC by:

1. reducing the percentage of households living in the tract or tracts

with incomes below the FPL to 20% or less and

2. making sustained improvements in community infrastructure and other underlying conditions that prolong concentrated poverty and economic inertia in the tract or tracts.

The plan must at least include:

1. measurable implementation steps, target dates for completing each step, and the state or local official or agency responsible for doing so;

2. minimum statewide averages for educational metrics (e.g., kindergarten-, college-, and career- readiness and grade level reading and mathematics) to serve as benchmarks for improvements in the tract or tracts; and

3. a list of possible projects, as specified under the law.

The office must begin overseeing the plan's implementation by January 1, 2026.

Background — Right of Action Against State or Municipal Officials

Starting July 1, 2027, if any state or municipal official does not timely fulfill his or her requirements or responsibilities under the pilot program or 10-year plan, a certified community development corporation created for a concentrated poverty census tract may bring a mandamus action against the official under certain conditions. Specifically, the corporation must (1) have been selected under DECD's pilot program process, (2) demonstrate good-faith efforts to effectuate the 10-year plan, and (3) be aggrieved by the official's failure.

§§ 429 & 430 — BOTTLE BILL OVER-REDEMPTION REIMBURSEMENT GRANTS AND ENFORCEMENT FUNDING

Establishes the bottle bill escheats enforcement and assistance account, which must provide (1) funding to the State Police to enforce the ban on illegal bottle redemptions and (2) reimbursement grants to certain taxpayers; appropriates $2 million to the account for those purposes; authorizes the attorney general to enforce bottle bill provisions

The bill establishes the "bottle bill escheats enforcement and

assistance account" as a separate, nonlapsing account. The Office of OPM secretary must use the account to provide (1) funding to the State Police to enforce the prohibition against illegal bottle redemption (i.e. over-redemption) and (2) reimbursement grants to certain taxpayers that file DRS returns as required under the state's bottle bill that show financial losses from over-redemption (CGS §§ 22a-243 to -246) (see *Background — The Bottle Bill*).

Existing law prohibits knowingly tendering any empty beverage container that was originally sold out-of-state or previously returned in order to redeem its refund value or obtain a handling fee. A violation is punishable by a fine of between $50 and $500, depending on the number of previous offenses.

The bill requires the treasurer to transfer $2 million from the General Fund to the new account for FY 26. The OPM secretary must distribute $250,000 from the account to the State Police for its assigned purpose, and the remaining $1,750,000 for over-redemption reimbursement grants.

Lastly, the bill authorizes the attorney general, either independently or upon receiving a complaint from either of the Department of Energy and Environmental Protection (DEEP) or DRS commissioners, to investigate violations of the bottle bill's provisions regarding:

1. registering a redemption center,
2. dealers refusing to redeem empty beverage containers,
3. paying handling fees,
4. violating relevant DEEP regulations,
5. illegal bottle redemptions, and
6. improper signage.

The attorney general may issue subpoenas and written interrogatories with his investigation to the same extent as the

Connecticut Antitrust Act (e.g., for material relevant to the scope of the alleged violation), but may not use any information obtained in a criminal proceeding.

If the attorney general finds a person in violation of the above, he may bring a civil action against that person in the Superior Court of the judicial district in which the violation occurred.

EFFECTIVE DATE: Upon passage

Grant Eligibility

Taxpayers (i.e. deposit initiators, who are the first distributors to collect a bottle deposit) are eligible to apply to OPM for over-redemption grants if (1) they had previously filed bottle bill returns with DRS for FY 25 and (2) during that fiscal year, their returns show two consecutive quarters with financial losses due to the over-redemption of beverage containers. If the total amount of the reimbursement grants requested exceeds the appropriated money, the grants awarded to each taxpayer will be reduced proportionally.

EFFECTIVE DATE: Upon passage

Background — The Bottle Bill

Connecticut's bottle bill is the law that establishes a system for recycling certain beverage containers. The system is driven by the assignment of a deposit on the containers at the time of purchase, which is then returned to the consumer when the consumer brings the empty container to be recycled.

§ 431 — NOISE MITIGATION AT TWEED-NEW HAVEN AIRPORT

Earmarks $1 million of the Connecticut airport and aviation account's funds each fiscal year for noise mitigation at Tweed-New Haven Airport

The bill earmarks $1 million of the Connecticut airport and aviation account's funds each fiscal year for noise mitigation at Tweed-New Haven Airport, according to federal aviation regulations.

By law, the Connecticut airport and aviation account is a nonlapsing account within the Grants and Restricted Accounts Fund. Account

funds are spent by the Connecticut Airport Authority, with the OPM secretary's approval, for airport and aviation purposes. Starting July 1, 2025, the account is funded by revenue from the aviation fuel tax.

EFFECTIVE DATE: July 1, 2025

§ 432 — TELEPHONE AND TELECOMMUNICATION SUBSCRIBER FEE

Requires telephone and telecommunications companies to generally charge subscribers a five cent per month per service line fee to be deposited into the firefighters cancer relief account

Starting January 1, 2026, the bill requires each telephone and telecommunications company providing local telephone service and each provider of (1) commercial mobile radio services (e.g., cell phones and pagers) and (2) voice over Internet protocol (VOIP) services (i.e. generally, phone calls over the broadband internet) to charge each subscriber a new fee of five cents per month per service line unless the subscriber opts out of the fee (the bill is silent on how a subscriber opts out). Additionally, the bill exempts prepaid wireless telecommunications services from charging the fee.

The bill requires providers to give written notice to a subscriber 60 days before the provider begins assessing the fee. The notice must disclose (1) the fee's amount and frequency; (2) that the subscriber may opt out before the first assessment or a subsequent assessment of the fee, and the process to do so; (3) that if the subscriber does not opt out, they will be charged the fee; and (4) the date of the first assessment. The bill also specifies that no part of the fee may be subject to a refund.

The collected funds must be sent to the state treasurer by the 15th day of each month for deposit into the firefighters cancer relief account.

Background — Firefighters Cancer Relief Account

The firefighters cancer relief account provides wage replacement benefits for eligible paid and volunteer firefighters diagnosed with cancer.

EFFECTIVE DATE: Upon passage

§§ 433-435 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority to participate in a program that provides certain benefits to firefighters with cancer; makes conforming changes to align with changes made by PA 25-4

PA 25-4 makes various changes to a program that provides workers' compensation-like benefits to firefighters who have certain cancers and meet other criteria, including changes clarifying the process for state-employed firefighters to apply for program benefits. The bill further specifies that state-employed firefighters covered by the program include firefighters employed by the Connecticut Airport Authority or Tweed-New Haven Airport Authority (which are quasi-public agencies) and makes related conforming changes.

Generally, the law requires an eligible firefighter's employer to pay the program benefits and then be reimbursed from the state's firefighters cancer relief account. Under current law, the firefighters' cancer relief account must reimburse any costs for an eligible firefighter's cancer treatments not covered by his or her personal or group health insurance. The bill further specifies that the reimbursement must be to the municipal or state employer that applied for reimbursement (which conforms to current practice).

Lastly, the bill makes additional changes in the law governing the firefighters cancer relief account in order to conform with changes made by PA 25-4 (to standardize terminology and allow the account to be used to reimburse state employers).

EFFECTIVE DATE: October 1, 2025

§§ 436-439 — CHANGES TO THE COMMUNITY INVESTMENT ACCOUNT

Renames the CIA the "Donald E. Williams, Jr. community investment account" and modifies the fee amounts and the allocation of the collected funds

The bill increases the land record recording fee that funds the General Fund's community investment account (CIA) and increases the amounts the designated recipients receive from the account. It also renames the account the "Donald E. Williams, Jr. community

investment account."

The bill also makes technical changes, including eliminating obsolete provisions.

EFFECTIVE DATE: July 1, 2025

Distribution of Funds

By law, the CIA provides funding for milk producers and projects related to open space, farmland preservation, historic preservation, affordable housing, and agriculture promotion. Money is distributed quarterly to the state's agriculture sustainability account and the departments of Agriculture (DoAg), Economic and Community Development (DECD), Energy and Environmental Protection (DEEP), and Housing (DOH).

In most cases, the bill increases the annual amount distributed to its subrecipients by 25%, but does not change the overall distribution between the four departments (see below).

Table: Distribution of CIA Under Current Law and the Bill

Recipient	*Current Law Distribution*	*The Bill's Distribution*
Agriculture Sustainability Account	First $10 per fee credited to the CIA	First $12 per fee credited to the CIA
DECD	25%	25%
Technical assistance and preservation activities of the CT Trust for Historic Preservation	$380,000	$475,000
Supplement activities of the Historic Preservation Council and related DECD activities (e.g., grants in aid for historic structures and placing plaques and markers)	Remainder	Remainder
DOH to supplement new or existing affordable housing programs	25%	25%
DEEP for municipal open space grants	25%	25%
DoAg	25%	25%
Agricultural Viability Grant Program	$500,000	$625,000
Farm Transition Program	$500,000	$625,000
Encourage the sale of CT-grown food to schools, restaurants, retailers, and other institutions and	$100,000	$125,000

Recipient	*Current Law Distribution*	*The Bill's Distribution*
businesses in the state		
CT Farm Link Program	$75,000	$93,750
Seafood Advisory Council	$47,500	$59,375
CT Farm Wine Development Council	$47,500	$59,375
CT Food Policy Council	$25,000	$31,250
Farmland preservation programs	Remainder	Remainder

Fee Increases

Specifically, the bill increases the fee for recording land records from $40 to $50, and increases the portion the town clerk may retain from $1 to $2. It correspondingly increases the amount of the fee town clerks must remit to the state treasurer for deposit in the CIA from $36 to $45. (Other fees charged for recording land records are unchanged by the bill.)

Current law also sets a minimum $116 fee for recording most documents by mortgagee nominees, of which the town clerk may retain $10 for deposit in the town clerk fund and must remit $110 to the state for deposit in the General Fund. For assignments to or releases by mortgage nominees, the law sets the fee at $159, of which the town clerk may retain $32 as general municipal revenue and must remit $127 to the state for the General Fund.

In both cases, the bill increases, from $36 to $45, the amount that the state must credit to the CIA from the amount deposited in the General Fund, and increases the amount the town clerk may retain by $1. (However, the bill does not increase the overall fees or the portions remitted to the state.)

§§ 440-458 — OCCUPATIONAL LICENSE OR CERTIFICATION FEES

Eliminates numerous occupational license or certification fees for health care professionals and educators

The bill eliminates the occupational license or certification fees listed in the following table.

Table: Occupational License Fees Eliminated Under the Bill

§	*Citation*	*Occupational License or Certification*	*Current Fee*
440	20-12b	Physician assistant (PA) license	190
440	20-12b	PA temporary permit	150
441	20-86c	Nurse-midwife license	100
442	20-93	Registered nurse (RN) license	180
443	20-94	RN, license by endorsement	180
443	20-94	RN temporary permit	180
444	20-94a	Advanced practice registered nurse (APRN) license	200
444	20-94a	APRN, license by endorsement	200
445	20-96	Licensed practical nurse (LPN) license	150
446	20-97	LPN, license by endorsement	150
446	20-97	LPN temporary permit	150
447	20-162i	Dental hygienist license	150
448	20-126k	Dental hygienist, license by endorsement	150
449	20-260ll	Paramedic license	150
449	20-260ll	Paramedic license renewal	155
450	20-70	Physical therapist license	285
450	20-70	Physical therapist assistant license	190
451	20-71	Physical therapist, license by endorsement	225
451	20-71	Physical therapist assistant, license by endorsement	150
452	20-74d	Occupational therapist temporary permit	50
453	20-74f	Occupational therapist license	200
454	20-195c	Marital and family therapist license	200
454	20-195c	Marital and family therapist associate license	125
454	20-195c	Marital and family therapist, license by endorsement	200
454	20-195c	Marital and family therapist associate, license by endorsement	125
455	20-195o	Clinical social worker license	200
455	20-195o	Master social worker license	125
456	20-195t	Master social worker license temporary permit	50
457	20-195cc	Professional counselor license	200
457	20-195cc	Professional counselor associate license	125
458	10-145b	Initial educator certificate	200

EFFECTIVE DATE: October 1, 2025

§ 459 — TAX EXEMPTION FOR PROPERTY LOCATED ON CERTAIN RESERVATION LANDS

Establishes a tax exemption for property located on reservation land that is held in trust for a federally recognized Indian tribe

The bill establishes a property tax exemption for real and tangible personal property located on reservation land that is held in trust for a federally recognized Indian tribe. The exemption applies regardless of ownership (i.e. it applies to Indian and non-Indian owned property).

With exceptions, federal law precludes taxing federally recognized tribes for real or personal property they own, and in some cases lease, on their reservations (see *Background – Related Case Law*). Additionally, existing state law specifically exempts from property tax (1) reservation land held in trust by the state and (2) motor vehicles owned by tribal members or their spouses and garaged on the tribe's reservation (CGS § 12-81(2) & (71)).

EFFECTIVE DATE: October 1, 2025, and applicable to assessment years starting on or after that date.

Background — Related Case Law

The U.S. Supreme Court has ruled that under the U.S. Constitution states may not tax federally recognized Indian reservations and the Indians on them without clear congressional authorization to do so (*Oklahoma Tax Commission* v. *Chickasaw Nation*, 515 U.S. 450 (1995)). Local governments, as political subdivisions of the states, are generally subject to the same limitation.

Federal law does not necessarily preempt taxing non-Indian owned businesses or non-Indian owned property on reservations. In *Mashantucket Pequot Tribe* v. *Town of Ledyard,* 722 F.3d 457 (2d Cir. 2013), the Second Circuit Court of Appeals held that the town could levy personal property taxes on slot machines owned by a non-Indian lessor and leased to the tribe for its exclusive use for on-reservation gaming. In doing so, it overturned a decision by the district court that found the property tax to be preempted by federal law.

§§ 460-467 — MIRA, CRDA, AND SOUTH MEADOWS SITE

Makes various changes related to the South Meadows site, which contains closed resource recovery and jet turbine facilities, to, among other things, (1) transfer MIRA-related property and powers to CRDA rather than DAS, (2) terminate MDA a year earlier than scheduled, and (3) specify the boundaries of a new South Meadows development district

The bill makes several changes related to two Hartford properties located at 300 Maxim Road and 100 Reserve Road that the bill designates collectively as the "South Meadows site." (The site contains closed resource recovery and jet turbine facilities.)

Primarily, the bill:

1. transfers the ownership, functions, powers, duties, permits, and licenses related to the South Meadows site, along with associated personal property, money, and a non-lapsing account, from the Materials Innovation and Recycling Authority (MIRA) and the MIRA Dissolution Authority (MDA) to the Capital Region Development Authority (CRDA) instead of the Department of Administrative Services (DAS);

2. subjects the work CRDA performs on the site (e.g., development, redevelopment, and remediation) to licensing, permitting, and other regulatory processes that differ from those in existing law;

3. requires any state tax revenue generated by completed projects within the site to be retained and reinvested by CRDA there;

4. exempts the site and any personal property located there from property tax until a development or redevelopment project is started there; and

5. terminates MDA on July 1, 2025, instead of July 1, 2026.

The bill also creates a South Meadows development district and delineates the district's geographic boundaries. (The bill does not provide a purpose for, or authority over, this district.)

The bill also makes technical and conforming changes.

EFFECTIVE DATE: June 30, 2025

South Meadows Site Property and Monetary Transfers

The bill makes CRDA the successor authority to MIRA with respect to MIRA's ownership, functions, powers, and duties for the South Meadows site. On June 30, 2025, the bill requires $5 million of MDA's resources to be transferred and deposited into an existing nonlapsing account administered by OPM. It changes the account's purpose from, generally, winding down MIRA, to operating, maintaining, remediating, or taking any other action associated with MDA's former activities or properties other than the South Meadows site and its activities associated with it. The bill also requires, on June 30, 2025, the (1) site and any tangible or intangible personal property associated with it to be transferred from MDA to CRDA and (2) balance of MDA's resources, after the $5 million transfer, to be transferred to CRDA. This transfer must then be deposited in a bank account or accounts separate from all other CRDA funds and used for maintaining, remediating, developing, redeveloping, or taking any other action associated with the South Meadows site that CRDA deems necessary.

The bill authorizes CRDA to (1) hire former MDA employees to carry out any activity CRDA is authorized or required to undertake for the South Meadows site and (2) enter into memorandums of understanding (MOUs) with any state agency to facilitate its functions, powers, and duties with respect to the site.

Under the bill, when MDA's ownership or oversight of a permitted facility transfers to CRDA, the permits or licenses it holds are correspondingly transferred to CRDA and remain in full force and effect.

Licensing, Permitting, Approvals, and Administrative Actions

The bill sets procedures and requirements for CRDA's work at the South Meadows site, including any development, redevelopment, or remediation (i.e. "projects"). If a state agency is supervising this work, it must issue licenses, permits, or approvals or take administrative actions following the bill's procedures even if doing so conflicts with most other state laws. But the agency must only do so to the extent they are not inconsistent with the state's delegated authority under federal

law and the state law governing liabilities and conveyances related to MDA.

Similarly, any agreement or MOU CRDA enters with a state agency or a Connecticut political subdivision (e.g., a municipality) to do work for any part of a project, including licensing, permitting, receiving governmental approvals, and the construction of sewer, water, steam, or other utility connections, must be according to the bill's provisions, but only to the extent they are not inconsistent with (1) the state's delegated authority under federal law or (2) any contract by which the agency or political subdivision is bound.

The bill gives commissioners sole jurisdiction over any licenses, permits, and approvals (hereinafter referred to as "approvals"), or administrative actions, concerning South Meadows site projects. Under the bill, a "commissioner" is the commissioner or commissioners, or their designees, who have subject matter jurisdiction. Upon application to the commissioners, the bill requires that they issue each approval or take each administrative action required or allowed under state statutes.

Under the bill, all records (including applications and supporting documents) submitted to a commissioner for an approval or administrative action, together with all related proceeding records, must be publicly available as the Freedom of Information Act requires.

Master Process. Each commissioner with jurisdiction over any approval or administrative action for a project must adopt a master process to consider multiple approvals or administrative actions for any project under the bill, to the extent practicable. The bill specifies, though, that it does not require that all applications for approvals or administrative actions for all aspects of a project be submitted or acted on at the same time if not otherwise required by law.

Applications. Generally, the bill requires all approvals and administrative actions under the bill to be issued or taken within 10 business days after applications for them are submitted to the appropriate commissioner. (The bill sets a different process for DEEP commissioner approvals and administrative actions, described below.)

If an approval or administrative action is not issued or taken by the close of business on the 10th business day, the bill deems it approved unless the application has been denied, been conditionally issued, or had a hearing before that time.

Hearings. The bill requires hearings on all or part of a project to be conducted by the particular commissioner with jurisdiction over the applicable approval or administrative action. The commissioner must publish notice about the hearing 5 to 10 days in advance in a newspaper with a general circulation in Hartford.

Decisions. When deciding on a project under the bill, the commissioner must weigh all competent material and substantial evidence the applicant and the public presents and do so according to procedures the commissioner specifies. The commissioner must also issue written findings and determinations to support the decision. These must contain the evidence presented, including matters the commissioner deems appropriate and that are related to any major adverse health effects or environmental impacts of the project, if applicable. The commissioner may reverse or modify his or her order or action at any time, in the same manner as the original proceeding.

Under the bill, notice about any tentative or final determination on a project approval or administrative action is not required unless the bill expressly requires it.

Appeals of Commissioners' Administrative Actions. Under the bill, any party aggrieved by any administrative action taken by a commissioner in connection with a project may appeal to the Hartford Superior Court according to the process for appeals under the Uniform Administrative Procedure Act (UAPA). Regardless of any state statute, the bill specifies that an appeal does not stay (suspend) a project's development.

The appeal must state the reasons upon which it is based and the commissioner who rendered the final decision must appear as the respondent. It must be brought within 10 days after the notice of the action was sent by certified mail, return receipt requested, to the parties

to the proceeding. The appellant must serve a copy of the appeal on each party listed in the final decision at the address shown in it. Failure to make the service within the specified period on parties other than the commissioner who rendered the final decision will not deprive the court of jurisdiction over the appeal.

Within 10 days after the service of the appeal, or a later time if the court allows it, the commissioner who rendered the decision must submit to the court an original or a certified copy of the entire record, including a transcription, of the proceeding being appealed. This record must include the commissioner's findings of fact and conclusions of law, separately stated. If more than one commissioner has jurisdiction over the matter, the commissioners must jointly issue the record.

Under the bill, appeals to the Superior Court must be treated as privileged matters and heard as soon after the return date as practicable. A court must render its decision within 21 days after the commissioner files the record.

The bill prohibits the court from substituting its judgment for that of the commissioner on questions of fact in the evidence. The court must affirm the commissioner's decision unless it finds that substantial rights of the party appealing the decision have been materially prejudiced because the commissioner's findings, inferences, conclusions, or decisions are:

1. in violation of constitutional or statutory provisions;

2. in excess of the commissioner's statutory authority;

3. made on unlawful procedure;

4. affected by an error of law;

5. clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; or

6. arbitrary, capricious, or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

Under the bill, if the court finds material prejudice, it can sustain the appeal and render a judgment that modifies the commissioner's decision or order the commissioner to take specific actions. Following these court actions, an applicant may file an amended application, and the commissioner may consider it for approval.

Municipal Involvement

The bill exempts South Meadows site projects from any ordinances, regulations, or authority of any municipality or other Connecticut political subdivision. It also prohibits municipalities from conditioning funding under state or federal programs they administer on any requirements beyond those the bill allows them to directly impose, except as otherwise required by federal law.

The bill requires certain municipal corporations, including the Metropolitan District of Hartford County, to cooperate with CRDA in carrying out the bill's provisions, including by expediting licenses, permits, approvals, and administrative actions. This requirement applies to municipal corporations with jurisdiction over planning, environmental testing and assessment, permitting, engineering, site preparation, and private and public infrastructure improvements related to a project.

Building Codes and Fire Laws

Under the bill, any requirement for a permit from or an inspection by the state building inspector or state fire marshal is satisfied if CRDA has certification from an engineer or other appropriate professional duly certified or licensed in Connecticut that the work subject to the inspector's or marshal's approval complies with state building codes or fire laws and regulations, as applicable.

Environmental Impact Evaluation

The bill makes CRDA the state agency responsible for preparing any written evaluation of a project's environmental impact that the Connecticut Environmental Policy Act (CEPA) requires.

Under the bill, these written evaluations do not need to be completed

before (1) contracts are awarded; (2) obligations are incurred or funds are spent for planning and engineering studies for site preparation; or (3) preliminary site preparation work not requiring licenses, permits, or approvals not yet obtained.

Public Hearing. CRDA must hold a public hearing on the evaluation and publish notice about the hearing, and that the evaluation is available, 5 to 10 days before the hearing in a newspaper with general circulation in Hartford.

The bill allows any person to comment at the public hearing or in writing within two days after the hearing's closing. All public comments CRDA receives must be (1) promptly forwarded to the DEEP commissioner and the OPM secretary and (2) made publicly available.

OPM Determination. The bill requires the OPM secretary to review the evaluation and public comments and determine, in writing, whether the evaluation satisfies CEPA's requirements. His determination must be made public and forwarded to CRDA within 10 days after CRDA forwarded public comments to him. The OPM secretary may require the evaluation to be revised if, after considering all public and state agency comments, he finds that it does not satisfy CEPA's requirements.

DEEP Reviews

When DEEP exercises jurisdiction over any approvals for a South Meadows site project, the bill requires the DEEP commissioner to consider all available public comments submitted as part of the environmental impact evaluation. She must also make written findings for any comments relevant to issuing or denying the approval. The bill specifies that the deadlines that apply to other commissioners' approvals and administrative actions, described above, do not apply to DEEP's approvals and actions.

The bill requires the DEEP commissioner to adopt a master administrative process with a single public hearing on all pending applications that require one. Under the bill, the process is not subject to the UAPA but must allow public comments on all applications that

will be heard. The public hearing must be limited to issues or factors not included in the related environmental evaluation.

Additionally, the commissioner and CRDA must enter into an MOU regarding the master administrative process with the goal of expediting the approval or administrative action process as soon as reasonably practicable. The MOU must identify the proposed use after the project's development, redevelopment, or remediation and the approval or administrative action needed. The MOU must also have timelines for (1) the commissioner to issue a notice of sufficiency concerning an application's completeness, DEEP's review, holding a public hearing and receiving public comments, and issuing a decision or (2) issuing a decision or taking administrative action on applications that do not require a public hearing.

Property Tax Exemption

The bill requires that any state tax revenue generated by a completed project within the South Meadows site be retained by CRDA to be reinvested in the site. It also prohibits the site and any personal property located on it from being subject to property taxes until a development or redevelopment project has begun.

Liabilities and Effect of Conveyances

The bill requires Connecticut to hold harmless and indemnify CRDA and its employees and directors from any liability, financial loss, and expenses (including legal fees and costs) arising from certain title defects and environmental conditions at the South Meadows site that were in existence on June 30, 2025. This includes environmental conditions arising out of pollution, contamination, hazardous waste and substances, or hazardous building materials (e.g., asbestos, lead, polychlorinated biphenyls (PCB), polyfluoroalkyl substances (PFAS), mold, mercury, and gasoline and petroleum products).

The bill specifically prohibits Connecticut from holding harmless or indemnifying CRDA for title defects or environmental issues that were not pre-existing.

The bill requires CRDA to use the transferred funds deposited in a separate bank account or accounts under the bill before seeking indemnification. It authorizes CRDA and its employees and directors to bring a Superior Court action against Connecticut to enforce the above provisions.

Additionally, the bill specifies that the assumption of MDA's authority by CRDA does not alter the liability of a person who (1) established a resources recovery facility, (2) created a condition or is maintaining a resources recovery facility or condition that may reasonably be expected to create a pollution source to the waters of the state, or (3) is the certifying party to a facility's transfer. Under the bill, any conveyance of real property or business operations from MDA to CRDA, or from MDA to DAS, under the bill's provisions is not considered a transfer of an establishment under the state's Transfer Act (i.e. property remediation law for locations involving hazardous waste or certain business operations).

MDA Termination

The bill terminates MDA a year earlier than scheduled under current law (i.e. on July 1, 2025, instead of July 1, 2026). By law, upon its termination, all of MDA's rights and properties pass to and vest in the state. Under current law, DAS is scheduled to become the successor agency to MDA. The bill carries this provision forward but limits it by excluding the ownership, functions, powers, and duties of MDA that the bill assigns or transfers to CRDA.

The bill eliminates an exclusion under current law and makes permitted facility ownership or oversight transfers from MDA to DAS subject to existing law requiring proposed transfers' registration with and acceptance by DEEP.

§ 468 — CONNECTICUT PRECIOUS METALS WORKING GROUP

Creates a Connecticut Precious Metals Working Group to monitor the precious metals markets and related legislation in other states; requires the group to annually report its findings and recommendations to the General Assembly

The bill creates a Connecticut Precious Metals Working Group to monitor (1) economic conditions; (2) inflation expectations; (3) precious

metals prices and activities, including the market activities of leading commodities exchanges and bullion market associations; and (4) other states' proposed and enacted precious metals legislation.

The working group's members are (1) General Assembly members designated by the Banking; Commerce; and Finance, Revenue and Bonding committee chairs; (2) the treasurer (or his designee); and (3) any individuals the committee chairs deem relevant or necessary to carry out the group's duties, including economists, bankers, and residents who are precious metals investors. The Finance, Revenue and Bonding Committee's administrative staff must serve as the group's administrative staff.

Beginning in 2026, the working group must annually submit a report to the Banking; Commerce; and Finance, Revenue and Bonding committees summarizing its findings from its monitoring activities and include any recommendations to improve the precious metals market in Connecticut.

EFFECTIVE DATE: Upon passage

§ 469 — SALES AND USE TAX EXEMPTION FOR PRECIOUS METALS AND RARE OR ANTIQUE COINS

Modifies the current sales and use tax exemption on certain sales of rare or antique coins, gold or silver bullion, and gold or silver legal tender

The bill modifies the current sales and use tax exemption on certain sales of rare or antique coins, gold or silver bullion, and gold or silver legal tender of any nation, traded according to their value as precious metals by (1) applying it to all sales, instead of just those valued at $1,000 or more; (2) extending it to sales of palladium bullion and platinum; and (3) limiting the gold and silver bullion exemption to those with a purity level of at least 90%.

EFFECTIVE DATE: July 1, 2027, and applicable to sales occurring on or after that date.