PA 25-168—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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§ 22 — TRANSFER FOR BIRTH-TO-THREE PROGRAM

Requires SDE to transfer certain federal special education funds to OEC for the Birth-to-Three Program

§ 23 — PRIORITY SCHOOL DISTRICT GRANTS

Distributes PSD grants for FYs 26 and 27

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§ 28 — STATE HEALTHCARE COSTS FOR HOSPITAL SERVICES

Requires the state comptroller to negotiate with nongovernmental licensed short-term general hospitals to revise the reimbursement rates for inpatient and outpatient care they provide to current state employees and non-Medicare retired state employees; requires any estimated savings in FY 27 from the resulting rate reductions to be offset by increased supplemental Medicaid payments to hospitals for FY 27, subject to certain restrictions

§ 29 — COLD WEATHER RESPONSE SERVICE

Requires DOH to use up to $8.5 million of its FY 26 and FY 27 General Fund appropriations to maintain cold weather response service, but not necessarily continuous call center service; requires applications for these grants to be submitted as required by the DOH commissioner

§§ 30 & 37 — CARRYFORWARDS

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§§ 32-34 — YOUTH SERVICES PREVENTION AND YOUTH VIOLENCE INITIATIVE GRANTS

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§ 35 — FUNDS CARRIED FORWARD FOR STATE EMPLOYEE SALARY ADJUSTMENTS AND HEALTH SERVICE COSTS

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§§ 39 & 43 — TRANSFERS FROM THE GENERAL FUND

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§ 40 — TEACHERS' RETIREMENT SYSTEM'S UNFUNDED LIABILITY

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Transfers (1) $150 million of FY 25 General Fund revenue to FY 26 and (2) $244 million of FY 26 General Fund revenue to FY 27

§ 44 — TRANSFER OF STF REVENUE TO FY 26 AND FY 27

Transfers $140 million of FY 25 STF revenue to FY 26 ($17 million) and FY 27 ($123 million)

§ 45 — LEGISLATIVE REPORT ON REDUCED FEDERAL FUNDING

Requires the OPM secretary to submit a plan to the legislature whenever the federal government enacts a law that reduces the amount of the state's federal funding for FYs 25 to 27

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§ 47 — 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

§ 48 — 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

§§ 49-52 — 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

§ 53 — 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

§ 54 — 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

§§ 55-57 — ANNUAL DISTRIBUTION OF SPECIAL LICENSE PLATE-RELATED FEES

Requires OPM to distribute the funds from three special license plate-related accounts annually, rather than quarterly

§§ 58 & 59 — R&D AND R&E TAX CREDITS FOR QUALIFYING LLCS

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

§§ 60 & 61 — 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

§ 62 — CJPPD PRISON EDUCATION PROGRAMS

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

§§ 63-66 & 68 — REPEAL OF DIGITAL ANIMATION TAX CREDIT

Eliminates the digital animation tax credit and makes conforming changes

§§ 67 & 68 — 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

§ 68 — 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

§ 69 — 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

§ 70 — PROJECT LONGEVITY INITIATIVE

Removes Norwich from the list of cities in which the Project Longevity Initiative must be implemented

§§ 71 & 72 — CLC PAYMENTS FOR DCP REGULATORY EXPENSES

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

§ 73 — STATE PROPERTIES REVIEW BOARD REVIEW OF DAS

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

§§ 74 & 75 — ADVERTISING DAS REAL ESTATE NEEDS

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

§ 76 — 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

§§ 77-82 — PROBATE COURT NOTICES SENT TO DAS

Removes requirements for DAS to get various notices from probate court proceedings, primarily related to conservatorships

§§ 83 & 84 — DAS REPEALERS

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

§§ 85-87 — 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

§§ 88-94 —REPEALED AGENCY REPORTS

Repeals certain 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

§ 95 — 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

§ 96 — CHIEF DATA OFFICER'S HIGH VALUE DATA REPORT

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

§ 97 — 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 prior law required

§ 98 — 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

§§ 99-112— 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

§§ 113 & 114 — 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

§ 115 — OPIOID SETTLEMENT ADVISORY COMMITTEE

Adds two members to the Opioid Settlement Advisory Committee by increasing, from 23 to 25, the number of municipal representatives

§§ 116-120 — 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

§§ 121 & 122 — REFERRAL TO MFAC AND DESIGNATION AS TIER I

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

§ 123 — DISTRICT PILOT GRANT REDIRECTED TO TOWN OF WINDHAM

Redirects certain PILOT grants for fire districts to Windham

§ 124 — 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) convene an advisory committee to establish the report card's contents, and (3) adjust the report card based on patient acuity levels

§§ 125 & 126 — 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

§§ 127-134 — CANNABIS 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 purposes the Social Equity Council solely determines to further the principles of equity

§§ 135 & 136 — 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 each fiscal year and (2) enter into an MOU with UCHC to provide operational support

§§ 137 & 138 — HIGHER EDUCATION 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

§ 139 — PLAN FOR INCLUSIVE EDUCATIONAL OPPORTUNITIES WITHIN THE CONNECTICUT STATE UNIVERSITY SYSTEM

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

§ 140 — UCONN HEALTH NEUROMODULATION CENTER

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

§§ 141 & 142 — HIGHER EDUCATION CONSTITUENT UNITS AND ENERGY-SAVINGS PERFORMANCE CONTRACTS

Authorizes the constituent units of higher education 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

§ 143 — 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

§§ 144 & 145 — 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

§ 146 — 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, and explicitly extends the requirements to municipalities and other specified entities; 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

§ 147 — ANNUAL ADJUSTMENTS TO PREVAILING WAGE RATES

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

§ 148 — PREVAILING WAGE FOR OFFSITE CUSTOM FABRICATION

Extends the state's prevailing wage law to cover off-site custom fabrication for a public works project (PA 25-174, §§ 211 & 212, repeals this provision and replaces it with a substantially similar one)

§ 149 — STATE MARSHALS HEALTH INSURANCE

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

§ 150 — 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

§§ 151-158 — 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

§§ 159 & 160 — 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

§§ 161-165 — CANNABIS POLICIES AND PROCEDURES EXTENSION

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

§ 166 — COMMUNITY OMBUDSMAN PROGRAM

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

§ 167 — 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

§ 168 — ROAD NAMING

Eliminates a road naming from PA 25-65

§ 169 — WATER FLUORIDATION

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

§ 170 — FEDERAL RECOMMENDATION ADVISORY COMMITTEE

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

§§ 171 & 172 — 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

§ 173 — 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

§§ 174 & 175 — 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

§ 176 — PUBLIC HEALTH URGENT COMMUNICATION ACCOUNT

Creates an account to fund DPH communications during public health emergencies

§ 177 — EMERGENCY PUBLIC HEALTH FINANCIAL SAFEGUARD ACCOUNT

Creates an account to address unexpected shortfalls in public health funding

§ 178 — SUDEP INFORMATION

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

§ 179 — AEDS AT CERTAIN LONG-TERM CARE FACILITIES

Requires nursing homes and certain MRCs to have an AED in a central location

§ 180 — PANCREATIC CANCER SCREENING PROGRAM

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

§ 181 — EMS ADMINISTERING GLUCAGON NASAL POWDER

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

§ 182 — 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

§ 183 — 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

§§ 184-186 — 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

§ 187 — 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

§ 188 — 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

§ 189 — HOSPITAL REPORTING ON EMERGENCY DEPARTMENTS

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

§ 190 — HOSPITAL DISCHARGE WORKING GROUP

Creates a working group on hospital discharge challenges

§ 191 — 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 institutions within CSCU (PA 25-174 repeals these provisions)

§§ 192-197 — 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"

§§ 198-227 — NON-DISCRIMINATION CONTRACT COMPLIANCE, SMALL BUSINESS AND MBE SPENDING ALLOCATION PROGRAM, AND STATE CONTRACTING DISPARITY STUDY

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

§§ 228 & 229 — TRANSPORTATION NETWORK COMPANIES STUDY AND WORKING GROUP

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

§ 230 — LYME GRANGE FAIR ASSOCIATION PROPERTY

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

§§ 231 & 232 — RESTRICTIONS ON ASSIGNED MUNICIPAL LIENS FOR DELINQUENT PROPERTY TAXES AND SEWER ASSESSMENTS (REPEALED)

Has no legal effect because of repeal in PA 25-174

§§ 233-242 — 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

§ 243 — DCF EMERGENCY CHILD PLACEMENT

Renames DCF placements with non-licensed caregivers as "emergency placements" and defines the new term

§ 244 — SEEC EXECUTIVE DIRECTOR REAPPOINTMENTS

Specified that SEEC could reappoint its executive director for an additional term, up to an additional four years, without receiving legislative approval; specified that an executive director could not be reappointed more than once (PA 25-174, § 227, repeals this section)

§§ 245 & 246 — 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

§ 247 — SDE CHRONIC ABSENTEEISM REPORT

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

§ 248 — 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

§ 249 — 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

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

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

§ 251 — 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

§§ 252-259 — REAL ESTATE WHOLESALERS

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; prohibits certain related filings on the town land records

§ 260 — PROPERTY UNDER FUNERAL SERVICE CONTRACTS

Replaces a requirement created by PA 25-81 with a similar one that requires property holders to obtain a list of all their properties held under a funeral service contract that generally meet any of three triggers for deeming the property payable or distributable

§ 261 — UNLAWFUL DISSEMINATION OF AN INTIMATE SYNTHETIC IMAGE

Establishes a new crime of unlawful dissemination of an intimate synthetically created image that is generally similar to the existing crime of unlawful dissemination of an intimate image; penalties vary based on (1) how the person distributed the image (including the number of recipients and how it was sent) and (2) whether the person intended to harm the victim

§§ 262 & 263 — ROBERTA B. WILLIS SCHOLARSHIPS

Limits the Roberta B. Willis Scholarship Program to need-based grants and need and merit-based grants by eliminating the Charter Oak grant; requires OHE to annually notify institutions of their estimated funding for need-based awards by November 1

§ 264 — 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 after a determination of need upon intake

§ 265 — 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 punitive diets as a form of discipline

§ 266 — 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

§ 267 — CORRECTIONAL CENTER RELOCATION STUDY

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

§ 268 — 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

§ 269 — DOCUMENTING ASSAULTS AGAINST CORRECTIONAL STAFF

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

§§ 270 & 271 — REPORTS ON STRIP AND 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

§ 272 — CORRECTION OMBUDS ACCESSING MEDICAL RECORDS

Requires the correction ombuds, before accessing an incarcerated person's medical record, to notify the person about the reasons for doing so

§§ 273 & 274 — SOLAR PHOTOVOLTAIC FACILITY EMERGENCY PREPAREDNESS PROGRAM

Requires the DESPP commissioner to establish a solar photovoltaic facility emergency preparedness program, within available funds; establishes an account to fund this program and specifies it must contain any federal reimbursements or grants related to the preparedness program; money may only be spent according to an OPM-approved plan

§§ 275 & 276 — 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 related 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

§§ 277-287 — REPRODUCTIVE AND GENDER-AFFIRMING HEALTH CARE SERVICES

Subjects HIPAA-covered entities' business associates to the law's limits on disclosing protected information without consent; requires the entities and business associates to notify the attorney general when they get a subpoena for certain patient information; specifies that gender-affirming health care services do not include conversion therapy for anyone under age 18

§ 288 — TRANSFER STATION PERMITS AND LICENSES

Sets conditions under which certain transfer stations may continue to operate and accept municipal solid waste, including recyclables, while their commercial transfer station permit application is pending before DEEP; requires MIRA Dissolution Authority's transfer station permits and licenses to transfer to Essex and remain in effect when the transfer station's ownership or operation transfers from the MIRA Dissolution Authority to the town; requires the Torrington Transfer Station's permits or licenses to transfer to the Northwest Resource Recovery Authority, or its designee; requires the DEEP commissioner to grant the Wallingford Transfer Station a temporary operating permit

§§ 289-292 — ABSENTEE VOTING PROCEDURES FOR ELIGIBLE INCARCERATED INDIVIDUALS

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

§ 293 — ADDITIONAL EARLY VOTING LOCATIONS ON CERTAIN COLLEGE CAMPUSES

Requires certain municipalities with 1,000 or more students living on a college campus or in college-affiliated housing to establish an additional early voting location on campus

§ 294 — SAME-DAY ELECTION REGISTRATION PROOF OF ADDRESS

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

§§ 295 & 296 — 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

§§ 297 & 298 — ELECTION-RELATED MATERIALS TRANSLATION

Establishes the Translation Advisory Committee to evaluate translated municipal election-related materials and sets membership and eligibility requirements; requires municipalities that must provide translated election materials under federal or state law to use professional translators and submit these translations to the committee

§ 299 — 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

§ 300 — LOCAL FOOD FOR SCHOOLS INCENTIVE PROGRAM

Makes various changes to LFSIP, including expanding the program to child care providers, making SDE the lead administering agency, and requiring SDE to use at least 20% of the program's annual appropriation to engage with external partners to provide supplemental services

§ 301 — RETIRED TEACHERS' HEALTH INSURANCE

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

§§ 302-306 — 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

§§ 307 & 308 — CHOICE PROGRAM GRANTS FOR MAGNET SCHOOLS AND VO-AG CENTERS

Makes permanent the choice program grants for interdistrict magnet schools and vo-ag centers; beginning with FY 25, adds a new method to determine grants for new magnet schools that begin operating on or after July 1, 2024

§ 309 — 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

§ 310 — 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

§ 311 — ELIMINATION OF OEC BEING UNDER SDE

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

§ 312 — 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 for RESCs, instead basing the grants on actual costs of transportation services and (2) payment schedule for all magnet school transportation grants

§ 313 — 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

§ 314 — 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

§ 315 — 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

§ 316 — 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

§ 317 — SPECIAL EDUCATION GRANT PROPORTIONAL REDUCTION

Extends a requirement that grants be reduced proportionally to all fiscal years, rather than only for FY 26

§§ 318-320 — 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

§§ 321-323 — 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 and reconsideration; specifies criteria the policies must meet

§ 324 — STATE SUPPLEMENT PROGRAM (SSP)

Freezes SSP payment standards for FYs 26 and 27

§§ 325 & 326 — 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

§ 327 — OBESITY TREATMENT UNDER MEDICAID AND CHIP

Allows, rather than requires, DSS to cover certain obesity treatments in Medicaid and CHIP; requires prior authorization, and step therapy in some circumstances, for Medicaid coverage of prescription drug obesity treatment

§§ 328 & 329 — 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, and report to the legislature

§§ 330-335 — 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

§ 336 — 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

§ 337 — 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

§ 338 — HEALTH SYSTEMS PLANNING UNIT STUDY

Specifies that the Health Systems Planning Unit must conduct its biennial health care facility utilization study within available appropriations

§ 339 — DRIVER TRAINING AND EVALUATION FOR PEOPLE WITH DISABILITIES

Transfers, from ADS to DMV, a unit responsible for people with disabilities' driver training and evaluation

§ 340 — MAPOC CHAIRPERSONS

Designates the Human Services and Public Health committees' chairpersons as MAPOC's chairpersons

§ 341 — MEDICAID COVERAGE FOR BREAST PROSTHESES

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

§§ 342 & 343 — ASSISTANCE PROGRAM ELIGIBILITY INCOME DISREGARDS

Requires the DSS commissioner to disregard income (1) a person receives from participating in certain DSS-approved pilot programs and job training programs when determining TFA eligibility and (2) from rental assistance pilot programs when determining eligibility for DSS-administered assistance programs

§ 344 — SCHOOL-BASED BEHAVIORAL HEALTH SERVICES BILLING

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

§§ 345-347 — IDENTIFIED PRESCRIPTION DRUGS

Caps the sales price for 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

§§ 348 & 349 — APPEALS PROCESS FOR DSS RATES AND AUDITS

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

§§ 350-352 — 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

§ 353 — NET OPERATING LOSS DEDUCTION FOR CERTAIN COMBINED GROUPS

Eliminates an alternative NOL rule that previously applied 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

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

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

§ 355 — RELIEF FROM INTEREST ON ESTIMATED TAX UNDERPAYMENTS

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

§§ 356 & 357 — CORPORATION BUSINESS TAX SURCHARGE

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

§ 358 — 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

§§ 359, 361, 363 & 364 — 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

§§ 360 & 361 — 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

§ 362 — 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

§§ 365 & 366 — 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

§ 367 — CONNECTICUT ITINERANT VENDORS GUARANTY FUND

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

§ 368 — SALES AND USE TAX EXEMPTION FOR AMBULANCES

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

§ 369 — 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

§ 370 — DUES TAX EXEMPTION

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

§ 371 — EARNED INCOME TAX CREDIT (EITC) INCREASE

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

§ 372 — 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

§ 373 — 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

§ 374 — CHET CONTRIBUTION TAX CREDIT

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

§§ 375-383 — 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

§§ 384 & 385 — 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

§ 386 — 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

§ 387 — 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

§ 388 — 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

§§ 389 & 390 — 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

§ 391 — 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

§ 392 — 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

§ 393 — 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

§ 394 — 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 use

§§ 395 & 396 — 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 age 21 and allows them to use electronic scanners to check a passport's validity, just as existing law allows 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

§ 397 — 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

§ 398 — 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

§§ 399 & 400 — ANNUAL ASSESSMENTS ON THE TRIBES

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

§ 401 — 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

§§ 402 & 403 — CONCENTRATED POVERTY CENSUS TRACTS

Expands the list of 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 plan's development; eliminates a related working group

§ 404 — BOTTLE BILL OVER-REDEMPTION REIMBURSEMENT GRANTS AND ENFORCEMENT FUNDING

Establishes the bottle bill escheats enforcement and assistance account to fund (1) State Police enforcement of the ban on illegal bottle redemption and (2) reimbursement grants for financial losses from over-redemption; transfers $2 million to the account for those purposes

§ 405 — ATTORNEY GENERAL ENFORCEMENT OF THE BOTTLE BILL

Authorizes the attorney general to enforce certain bottle bill provisions

§ 406 — 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

§ 407 — TELEPHONE AND TELECOMMUNICATION SUBSCRIBER FEE

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

§§ 408-410 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority, Tweed-New Haven Airport, or entities contracting with the 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

§§ 411-414 — 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

§§ 415-433 — OCCUPATIONAL LICENSE OR CERTIFICATION FEES

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

§ 434 — 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

§§ 435-442 & 456 — SOUTH MEADOWS SITE, MDA, AND CRDA

Makes various changes related to the South Meadows site, which contains closed resource recovery and jet turbine facilities, to, among other things, (1) transfer MDA-related property and powers to CRDA rather than DAS, (2) subject the work CRDA performs on the site (e.g., development, redevelopment, and remediation) to different regulatory processes, (3) require state tax revenue generated within the site to be retained and reinvested by CRDA there, (4) create a property tax exemption, and (5) terminate MDA a year earlier than scheduled

§ 443 — 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

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

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

§ 445 — MUNICIPAL VIDEO COMPETITION TRUST ACCOUNT

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

§§ 446-448 — MUNICIPAL TAX LIEN ASSIGNMENT

Prohibits assignees of municipal tax liens for unpaid taxes from charging post-charge-off charges or fees for collection costs; treats these assignees as consumer collection agencies and explicitly subjects them to banking department requirements for these agencies; no longer prohibits these agencies from receiving assignments as a third party of claims for certain purposes

§§ 449-454 — ABLE ACCOUNTS

Modifies Connecticut's ABLE program by (1) aligning eligibility requirements with federal law, (2) allowing the state treasurer to pay certain associated fees, (3) generally disregarding ABLE accounts as income for all means-tested public assistance programs instead of programs specified by law, and (4) making changes to conform with federal law

§ 455 — FARM MACHINERY PROPERTY TAX EXEMPTION

Increases, from $100,000 to $250,000 in assessed value, the mandatory property tax exemption for farm machinery, other than motor vehicles

§§ 457 & 458 — PHYSICIAN ASSISTANT LICENSURE COMPACT

Enters Connecticut into the Physician Assistant Licensure Compact, which creates a process authorizing PAs who are licensed in one participating state to practice across state boundaries without requiring licensure in each state; correspondingly requires all PA licensure applicants to get a fingerprint-based background check

§ 459 — ONLINE RENTAL PAYMENT SYSTEMS

Amends a provision on rental payments made through online payment systems in PA 25-49, which was vetoed, and so has no legal effect

§§ 460-471 — REVENUE ESTIMATES

Adopts revenue estimates for FYs 26 and 27 for appropriated state funds

§§ 472 & 473 — MUNICIPAL GRANTS

Requires OPM to grant additional municipal aid to New Haven, Ledyard, and Montville out of Other Expenses; increases the supplemental revenue sharing grant amounts for 11 municipalities

§§ 1-12 — FY 26 AND FY 27 APPROPRIATIONS

Appropriates money for state agency operations and programs for FYs 26 and 27

The act appropriates money for state agency operations and programs in FYs 26 and 27. The table below shows the net annual appropriations for each year from

each appropriated fund.

FY 26 and FY 27 Net Appropriations by Fund

§	Fund	Net Appropriation	
		FY 26	FY 27
1	General Fund	$24,036,381,982	$25,361,911,684
2	Special Transportation Fund (STF)	2,279,210,908	2,405,174,959
3	Mashantucket Pequot and Mohegan Fund	52,541,796	52,541,796
4	Banking Fund	36,301,539	36,595,890
5	Insurance Fund	118,397,912	120,109,550
6	Consumer Counsel and Public Utility Control Fund	37,235,150	37,519,262
7	Workers' Compensation Fund	27,287,983	27,437,125
8	Criminal Injuries Compensation Fund	2,934,088	2,934,088
9	Tourism Fund	17,884,502*	18,709,502
10	Cannabis Prevention and Recovery Services Fund	3,365,268	3,365,268
11	Cannabis Regulatory Fund	9,374,453	9,374,453
12	Municipal Revenue Sharing Fund	559,409,674	559,409,674

*PA 25-174, § 177, modifies the Tourism Fund's FY 26 appropriations but retains the fund's FY 26 net appropriation in this act.

EFFECTIVE DATE: July 1, 2025

§ 13 — SPENDING REDUCTIONS AND BUDGETED LAPSES

Allows the OPM secretary to reduce spending in the executive and judicial branches to achieve specified unallocated lapses in the General Fund

For FYs 26 and 27, the act allows the Office of Policy and Management (OPM) secretary to reduce allotments for the executive and judicial branches of government, as shown in the table below, to achieve targeted budget savings in the General Fund. These amounts correspond to budgeted lapses designated as "Unallocated Lapse," "Targeted Savings," and "Unallocated Lapse – Judicial" in the act (see § 1). Under the act, judicial reductions must be determined by the chief justice and chief public defender.

FY 26 and FY 27 Spending Reductions by Branch

Branch	Reduction	FY 26	FY 27
Executive	Unallocated Lapse	$63,710,570	$73,710,570
	Targeted Savings	25,518,692	15,000,000
Judicial	Unallocated Lapse	5,000,000	5,000,000

EFFECTIVE DATE: July 1, 2025

§ 14 — AUTHORITY TO TRANSFER FUNDS TO AND FROM THE RESERVE FOR SALARY ADJUSTMENTS ACCOUNT

Allows the OPM secretary to transfer specified funds to implement and account for adjustments to various personal services expenses

The act authorizes the OPM secretary to transfer the following:

1. personal services appropriations in any appropriated fund from agencies to the Reserve for Salary Adjustments account to provide for collective bargaining's impact and related costs and
2. General Fund appropriations for Reserve for Salary Adjustments to any agency in any appropriated fund to implement salary increases; other employee benefits; agency costs related to staff reductions, including accrual payments; agency personal services reductions; or any other authorized personal service adjustment.

EFFECTIVE DATE: July 1, 2025

§ 15 — COLLECTIVE BARGAINING AGREEMENT COSTS

Carries forward the unexpended portion of appropriated funds related to collective bargaining agreements and related costs and requires that the funds be used for the same purposes in FYs 26 and 27

The act carries forward the unexpended funds appropriated in the FY 24-25 budget that relate to collective bargaining agreements and related costs, as determined by the OPM secretary, and requires that the funds be used for the same purpose in FYs 26 and 27. It similarly carries forward the same unexpended funds appropriated for FY 26 and requires that they be used for the same purpose in FY 27.

EFFECTIVE DATE: Upon passage

§§ 16 & 17 — APPROPRIATION TRANSFERS AND ADJUSTMENTS TO MAXIMIZE FEDERAL MATCHING FUNDS

Authorizes the governor, subject to specified conditions, to transfer or adjust agency appropriations to maximize federal matching funds

The act allows the governor, with the Finance Advisory Committee's (FAC) approval, to transfer all or part of an agency's appropriation at the agency's request to another agency to take advantage of federal matching funds. Under the act, both agencies must certify that the receiving agency will spend the transferred appropriation for its original purpose. Federal funds generated from these transfers can be used to reimburse spending, expand services, or both as the governor determines with FAC approval.

The act also allows the governor, with FAC approval, to adjust all or part of an agency's appropriation to maximize federal funding to the state.

EFFECTIVE DATE: July 1, 2025

§ 18 — FEDERAL REIMBURSEMENT FOR DCF AND DSS PROJECTS

Authorizes DSS and DCF to establish receivables for anticipated federal reimbursement

For FYs 26 and 27, the act allows the departments of Children and Families (DCF) and Social Services (DSS), with OPM's approval, to establish receivables for the anticipated federal reimbursement for approved projects. They must do so in compliance with any advanced planning documents approved by the federal Department of Health and Human Services.
EFFECTIVE DATE: July 1, 2025

§ 19 — UCONN HEALTH CENTER APPROPRIATION TRANSFERS TO DSS MEDICAID ACCOUNT

Authorizes the OPM secretary to transfer General Fund appropriations for the UConn Health Center to DSS's Medicaid account to maximize federal reimbursement

The act authorizes the OPM secretary to transfer all or part of any General Fund appropriation for the UConn Health Center to DSS's Medicaid account to maximize federal reimbursement.
EFFECTIVE DATE: July 1, 2025

§ 20 — DSS PAYMENTS TO DMHAS HOSPITALS

Specifies how (1) DSS must spend appropriations for certain DMHAS hospital payments and (2) hospitals must use the funds they receive from DMHAS

The act requires DSS to (1) spend money appropriated to it for "Department of Mental Health and Addiction Services (DMHAS) – Disproportionate Share" payments when and in the amounts OPM specifies and (2) make disproportionate share payments to DMHAS hospitals for operating expenses and related fringe benefits. It requires the hospitals to (1) use the funds they receive from DMHAS for fringe benefits to reimburse the comptroller and (2) deposit the other DMHAS funds they receive into "grants – other than federal accounts." Unspent disproportionate share funds in these accounts lapse at the end of each fiscal year.
EFFECTIVE DATE: July 1, 2025

§ 21 — APPROPRIATIONS FOR "NONFUNCTIONAL – CHANGE TO ACCRUALS" LINE ITEM ACCOUNTS

Bars the OPM secretary from allotting funds from the "Nonfunctional – Change to Accruals" line item accounts in the state's appropriated funds

The act bars the OPM secretary from allotting funds from the "Nonfunctional – Change to Accruals" line item accounts in the state's appropriated funds, regardless of the law requiring the governor, through OPM, to allot appropriations before they can be spent. These line items represent the change to accruals in agency budgets due to the conversion to generally accepted accounting principles

(GAAP)-based budgeting.
EFFECTIVE DATE: July 1, 2025

§ 22 — TRANSFER FOR BIRTH-TO-THREE PROGRAM

Requires SDE to transfer certain federal special education funds to OEC for the Birth-to-Three Program

For FYs 26 and 27, the act requires the State Department of Education (SDE) to transfer $1 million of the federal special education funds it receives each year to the Office of Early Childhood (OEC) for the Birth-To-Three Program to carry out federally required special education responsibilities.
EFFECTIVE DATE: July 1, 2025

§ 23 — PRIORITY SCHOOL DISTRICT GRANTS

Distributes PSD grants for FYs 26 and 27

The act distributes priority school district (PSD) grants for FYs 26 and 27 across three categories as shown in the table below.

PSD Grant Funding Distribution

Category	*FY 26*	*FY 27*
Priority school districts	$30,818,778	$30,818,778
Extended school building hours	2,919,883	2,919,883
School accountability	3,412,207	3,412,207

By law, the PSD program provides grants to districts (1) in the eight towns with the largest populations in the state or (2) whose students receive low standardized test scores and have high levels of poverty.
EFFECTIVE DATE: July 1, 2025

§ 24 — DCF-LICENSED PRIVATE RESIDENTIAL TREATMENT FACILITIES

Suspends rate adjustments for DCF-licensed private residential treatment facilities for FYs 26 and 27

For FYs 26 and 27, the act suspends per diem and other rate adjustments for private residential treatment facilities licensed by DCF.
EFFECTIVE DATE: July 1, 2025

§ 25 — MASHANTUCKET PEQUOT AND MOHEGAN FUND GRANTS

Allocates the total grant amounts paid to municipalities and certain tribes from the Mashantucket Pequot and Mohegan Fund for FYs 26 and 27

For FYs 26 and 27, the act specifies the grant amounts paid to municipalities and certain tribes from the Mashantucket Pequot and Mohegan Fund, totaling roughly $52.5 million in each year. In doing so, it overrides the statutory formulas for the grants.
EFFECTIVE DATE: July 1, 2025

§ 26 — CONNECTICUT MUNICIPAL DEVELOPMENT AUTHORITY STAFF AND OPERATING COSTS

Requires the General Fund appropriations to DECD for MRDA to be used for its staff and operating costs in FYs 26 and 27

The act requires the FY 26 and FY 27 General Fund appropriations to DECD for "MRDA" to be used to support its operating costs and personal services and fringe benefit costs for staff. (MRDA is now known as the Connecticut Municipal Development Authority and the act correspondingly makes changes to laws to effectuate the name change (see §§ 99-112 below).)
EFFECTIVE DATE: July 1, 2025

§ 27 — PROBATE COURT ADMINISTRATION FUND

Requires that the Probate Court Administration Fund's balance at the end of FY 25 remain in the fund rather than be transferred to the General Fund

Under existing law, if there is a balance in the Probate Court Administration Fund on June 30 exceeding 15% of its authorized expenditures in the coming fiscal year, then that excess is transferred to the General Fund. The act suspends this provision for FY 25 by requiring that any balance in the fund as of June 30, 2025, remain there.
EFFECTIVE DATE: Upon passage

§ 28 — STATE HEALTHCARE COSTS FOR HOSPITAL SERVICES

Requires the state comptroller to negotiate with nongovernmental licensed short-term general hospitals to revise the reimbursement rates for inpatient and outpatient care they provide to current state employees and non-Medicare retired state employees; requires any estimated savings in FY 27 from the resulting rate reductions to be offset by increased supplemental Medicaid payments to hospitals for FY 27, subject to certain restrictions

Negotiations for Revised Inpatient and Outpatient Reimbursement Rates

The act requires the state comptroller, by June 30, 2026, to negotiate with nongovernmental licensed short-term general hospitals in Connecticut to revise the reimbursement rates for inpatient and outpatient care they provide to current state employees and non-Medicare retired state employees. The act allows the adjusted rates to vary between the active and retired state employee health plans.

Under the act, any hospital that agrees to reduced rates must accept reduced

payments from the state comptroller's contracted administrative services organization (ASO) as payment in full. It may not (1) balance bill affected members beyond the cost share amount required by the member's benefit design or (2) seek additional reimbursement from the ASO. For any hospital that does not agree to revised rates under these negotiations, its existing contract for in-network participation continues to apply.

Partnership Plans

The act specifies that these provisions do not require the state comptroller to adjust hospital reimbursement rates for any "partnership plan" (health benefit plans the comptroller offers to nonstate public employers and certain others). It requires these plan premiums to (1) be calculated using the ASO's hospital reimbursement rates regardless of any negotiated rate revision and (2) not reflect the resulting reduced costs to the active or retired state employee health plans.

Hospital Supplemental Payments

Before the start of FY 27, if the state comptroller estimates that reimbursement rates will be reduced for FY 27 because of these rate negotiations, the act requires that supplemental Medicaid payments to hospitals be increased by at least the amount of the reduction for FY 27 (see also § 362 on additional changes to these supplemental payments for FY 27 and after). But these payments must still comply with applicable federal requirements and required federal approvals, including the requirement that the payments not exceed the upper payment limit.
EFFECTIVE DATE: Upon passage

§ 29 — COLD WEATHER RESPONSE SERVICE

Requires DOH to use up to $8.5 million of its FY 26 and FY 27 General Fund appropriations to maintain cold weather response service, but not necessarily continuous call center service; requires applications for these grants to be submitted as required by the DOH commissioner

The act requires the Department of Housing (DOH) to use up to $8.5 million of its FY 26 and FY 27 General Fund appropriations (up to $3.5 million for FY 26 and up to $5 million for FY 27) to maintain cold weather response service, but not necessarily to provide continuous call center service. Under the act, grant applications for maintaining this service must be submitted as required by the DOH commissioner.
EFFECTIVE DATE: Upon passage

§§ 30 & 37 — CARRYFORWARDS

Carries forward prior years' appropriations for OLM and DOL and requires they be used for specified purposes

The act carries forward to FY 26 up to $100,000 of a prior year's appropriation

to the Office of Legislative Management (OLM) for statues and allows the funds to be used to support the John Mason statue's removal from the State Capitol building.

It also carries forward to FY 26 up to $100,000 of a prior year's appropriation to the Department of Labor (DOL) for Cradle to Career. Under the act, the funds are transferred to OEC's Other Expenses line item for a grant to the United Way of Coastal and Western Connecticut.

EFFECTIVE DATE: Upon passage

§§ 31, 36 & 38 — RESERVED AMOUNTS FROM LINE ITEM APPROPRIATIONS

Reserves certain amounts from line items in agency budgets for various purposes in FYs 26 and 27

The act reserves certain amounts from line items in agency budgets for various purposes in FYs 26 and 27, as shown in the table below.

Reserved Amounts for FYs 26 and 27 Line Item Appropriations*

§	Agency	Appropriation For	Reserved For	Amount	FY
31	State Library	Other Expenses	Grants (in equal amounts) to (1) United Way of Central and Northeastern Connecticut for the Dolly Parton Imagination Library, (2) Read to Grow, and (3) Reach Out and Read	$500,000	26 and 27
36(a)	SDE	Other Expenses	Grant to EastCONN Regional Educational Service Center	3,000,000	27
36(b)	SDE	Other Expenses	Grant to EdAdvance Regional Educational Service Center	900,000	27
36(c)	SDE	Other Expenses	Grant to Norwalk MLK Scholarship Fund	20,000	26 and 27
36(d)	SDE	Other Expenses	Robotics	100,000	26
				25,000**	27
36(e)	SDE	Other Expenses	Grant to Brother Carl Institute	800,000	26 and 27
36(f)	SDE	Other Expenses	Grant to Artists Collective	150,000	26 and 27
36(g)	SDE	Other Expenses	Grant to Girls on the Run Greater Connecticut	100,000	26 and 27
36(h)	SDE	Other Expenses	Grant to Big Brothers and Big Sisters of Connecticut for mentoring in Hartford and New	350,000	26 and 27

§	Agency	Appropriation For	Reserved For	Amount	FY
			Haven		
36(i)	SDE	Other Expenses	Grant to Middletown for youth programming	200,000	26 and 27
36(j)	SDE	Other Expenses	Grant to Boys and Girls Club of Lower Naugatuck Valley for operational support	100,000	26 and 27
36(k)	SDE	Other Expenses	Grant to Hartford Knights	100,000	26 and 27
36(l)	SDE	Other Expenses	Grant to Hartford Youth Programming	15,000	26 and 27
36(m)	SDE	Other Expenses	Grant to Active City for youth athletics	150,000	26 and 27
36(n)	SDE	Other Expenses	Grant to Serving All Vessels Equally (SAVE), Inc. in Norwalk	100,000	26 and 27
36(o)	SDE	Other Expenses	Electrical and computer engineering recruitment and after school K-2 reading tutoring	2,000,000	26 and 27
36(p)	SDE	Other Expenses	Grant to EdAdvance School Readiness Council	25,000	26 and 27
36(q)	SDE	Other Expenses	Grant to Stamford Public Education Foundation	210,000	26 and 27
36(r)	SDE	Other Expenses	Grant to Full Circle Youth Empowerment	1,000,000	26 and 27
36(s)	SDE	Other Expenses	Grant to Bridgeport Youth Lacrosse	100,000	26 and 27
36(t)	SDE	Other Expenses	Grant to New Haven Reads	200,000	26 and 27
36(u)	SDE	Other Expenses	Grant to Thompson Alliance District	200,000	26 and 27
36(v)	SDE	Other Expenses	Grant to Big Brothers Big Sisters	150,000	26
				200,000	27
36(w)	SDE	Other Expenses	Grant to Girls on the Run Greater Connecticut	20,000	26 and

§	Agency	Appropriation For	Reserved For	Amount	FY
					27
36(x)	SDE	Other Expenses	Grant to Effective School Solutions	450,000	26
				350,000	27
36(y)	SDE	Other Expenses	Grant to Athlife	100,000	26
36(z)	SDE	Other Expenses	Grant to the Connecticut Association of Boards of Education for boards of education training	100,000	26 and 27
36(AA)	SDE	Other Expenses	Grant to the Connecticut Association of Schools/ Connecticut Interscholastic Athletic Conference for curriculum development	400,000	26
				200,000	27
36(BB)	SDE	Other Expenses	Grant to Free Agent Now	200,000	26
36(CC)	SDE	Other Expenses	Grant to Martin Luther King Scholarship Committee of Greater Middletown	5,000	26 and 27
36(DD)	SDE	Other Expenses	Grant to VR Sim	175,000	26 and 27
36(EE)	SDE	Other Expenses	Grant to Greenwich YMCA Scholarship Program	10,000	26
36(FF)	SDE	Other Expenses	Grant to Waterford for school lunch debt	30,000	26 and 27
36(GG)	SDE	Other Expenses	Grant to Montville for school lunch debt	36,000	26 and 27
36(HH)	SDE	Other Expenses	Grant to Fairfield River-Lab	25,000	26 and 27
36(II)	SDE	Other Expenses	Grant to Bridgeport Caribe Youth Leaders	200,000	26 and 27
36(JJ)	SDE	Other Expenses	Grant to Elevate Bridgeport	175,000	26 and 27
36(KK)	SDE	Other Expenses	Grant to Bridgeport Board of Education for the Bridgeport Public Schools Debate League	75,000	26 and 27
36(LL)	SDE	Other Expenses	Grant to Yellow Mill Scholarship Fund	25,000	26 and 27

§	Agency	Appropriation For	Reserved For	Amount	FY
36(MM)	SDE	Other Expenses	Grant to Waterbury Promise	1,500,000	26 and 27
36(NN)	SDE	Other Expenses	Grant to Meriden Boys and Girls Club	250,000	26 and 27
36(OO)	SDE	Other Expenses	Grant to Newington Public Schools for diverse library circulation materials	10,000	26 and 27
36(PP)	SDE	Other Expenses	Grant to Boys and Girls Club of Milford for AI training	25,000	26 and 27
36(QQ)	SDE	Other Expenses	Grant to New London Public Schools pre-K and early childhood, including transitional kindergarten	500,000	26 and 27
36(RR)	SDE	Other Expenses	Grant to Stamford Public Education Foundation	90,000	26 and 27
36(SS)	SDE	Other Expenses	Grant to Sound Waters Summer Camp	50,000	26 and 27
36(TT)	SDE	Other Expenses	Grant to Windham Public Schools	250,000	26 and 27
36(UU)	SDE	Other Expenses	Teacher residency program	750,000	26 and 27
36(VV)	SDE	Other Expenses	Grant to State Education Resource Center for disconnected youth programming	500,000	26 and 27
38	Judicial Department	Other Expenses	Grant to Survivors of Homicide, Inc.	115,000	26

*PA 25-174, §§ 178 & 182, additionally reserves the following amounts from OPM's General Fund FY 26 appropriation for Other Expenses: (1) $500,000 for a grant to the CT Convention & Sports Bureau and (2) $300,000 for staff support in the Office of Consumer Counsel's Office of State Broadband.
**PA 25-174, § 179, increases the amount reserved for this grant in FY 27 to $100,000.

EFFECTIVE DATE: July 1, 2025

§§ 32-34 — YOUTH SERVICES PREVENTION AND YOUTH VIOLENCE INITIATIVE GRANTS

Specifies how a portion of the funds appropriated to the Judicial Department for youth services prevention and the youth violence initiative must be distributed; carries forward any unspent

funds from these appropriations and requires that they be used for juvenile justice system needs in FYs 27 and 28

The act appropriates to the Judicial Department for FYs 26 and 27 roughly (1) $8.3 million per year for youth services prevention and (2) $5.6 million per year for the youth violence initiative (§ 1). It reserves a portion of these appropriations for grants to specified organizations, specifically (1) $7.72 million of the FY 26 youth services prevention appropriation and (2) about $5.57 million of the FY 26 and FY 27 youth violence initiative appropriations.

Additionally, the act carries forward any unspent portion of the youth services prevention and youth violence initiative appropriations, as determined by the OPM secretary, and requires that the funds be used for juvenile justice system needs in FYs 27 and 28, as determined by the chief court administrator.

EFFECTIVE DATE: July 1, 2025

§ 35 — FUNDS CARRIED FORWARD FOR STATE EMPLOYEE SALARY ADJUSTMENTS AND HEALTH SERVICE COSTS

Requires the OPM secretary to identify $258 million in unspent appropriations for FYs 24 and 25 and carries forward and transfers these funds for specified state employee salary adjustments and health service costs

The act requires the OPM secretary to identify $258 million in unspent appropriations for FYs 24 and 25 and carries forward and transfers these funds as follows:

1. to Reserve for Salary Adjustments ($100 million for FY 26 and $36 million for FY 27) and
2. to State Comptroller – Fringe Benefits, for State Employees Health Service Cost ($122 million for FY 26).

EFFECTIVE DATE: Upon passage

§§ 39 & 43 — TRANSFERS FROM THE GENERAL FUND

Transfers specified amounts from the General Fund for FYs 26 and 27 to the Cannabis Regulatory Fund and Municipal Revenue Sharing Fund

The act transfers the amounts shown in the following table from the General Fund to the Cannabis Regulatory Fund and Municipal Revenue Sharing Fund for FYs 26 and 27.

General Fund Transfers (In Millions)

§	*Fund*	*FY 26*	*FY 27*
39	Cannabis Regulatory Fund	$10.3	$10.5
43	Municipal Revenue Sharing Fund	101	90

EFFECTIVE DATE: July 1, 2025

§ 40 — TEACHERS' RETIREMENT SYSTEM'S UNFUNDED LIABILITY

Increases the state's contribution to TRS for its unfunded accrued liability by $150 million for FY 26

State law requires the state to contribute to the Teachers' Retirement System (TRS) each fiscal year the actuarially determined employer contribution (ADEC) required to maintain the fund on an actuarial reserve basis (i.e. at a level sufficient to provide the benefits promised by the system). By December 1 each year, the Teachers' Retirement Board must certify to the General Assembly the amount of the ADEC, which includes the (1) contribution needed to meet the actuarial cost of future benefits (normal cost) and (2) amortization payment of any unfunded past service liabilities. The General Assembly must appropriate this certified amount to TRS if it complies with the law's requirements.

The act overrides this law and instead sets the unfunded liability portion of the ADEC at about $1,512 million for FY 26, an amount $150 million greater than the amount certified to the General Assembly in November 2024. (The board had certified an ADEC of approximately $1,362 million for unfunded liabilities and $294 million for normal costs for a total of $1,655 million.) Under the act (§ 1), the total amount appropriated for the TRS ADEC for FY 26 is $1,805 million.
EFFECTIVE DATE: July 1, 2025

§§ 41 & 42 — TRANSFER OF GENERAL FUND REVENUE TO FY 26 AND FY 27

Transfers (1) $150 million of FY 25 General Fund revenue to FY 26 and (2) $244 million of FY 26 General Fund revenue to FY 27

The act requires the state comptroller, by June 30, 2025, to transfer $150 million of FY 25 General Fund resources to be accounted for as FY 26 General Fund revenue. It similarly requires the comptroller, by June 30, 2026, to transfer $244 million of FY 26 General Fund resources to be accounted for as FY 27 General Fund revenue.
EFFECTIVE DATE: Upon passage

§ 44 — TRANSFER OF STF REVENUE TO FY 26 AND FY 27

Transfers $140 million of FY 25 STF revenue to FY 26 ($17 million) and FY 27 ($123 million)

The act requires the state comptroller, by June 30, 2025, to transfer $140 million of FY 25 STF resources to be accounted for as FY 26 STF revenue ($17 million) and FY 27 STF revenue ($123 million).
EFFECTIVE DATE: Upon passage

§ 45 — LEGISLATIVE REPORT ON REDUCED FEDERAL FUNDING

Requires the OPM secretary to submit a plan to the legislature whenever the federal government enacts a law that reduces the amount of the state's federal funding for FYs 25 to 27

The act requires the OPM secretary to submit a plan to the Appropriations and Finance, Revenue and Bonding committees whenever the federal government enacts a law that reduces the amount of the state's federal funding for FYs 25 to 27 by comparison to the state's federal funding for FYs 24 and 25. Under the act, he must submit a plan within 30 days after the federal law's passage that does the following:

1. identifies each program he projects will be affected and its estimated funding reduction;
2. gives recommendations on the feasibility and prudence of using, and legal requirements to use, state resources (including the Budget Reserve Fund) to replace all or part of the federal funding; and
3. includes a draft of any supplemental appropriations and revenue bill needed to enact these recommendations, which must prioritize maintaining health care, food assistance, education, state employment, and arts and cultural activities.

EFFECTIVE DATE: Upon passage

§ 46 — TECHNICAL CORRECTIONS DURING CODIFICATION

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

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

EFFECTIVE DATE: Upon passage

§ 47 — 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 act requires the DSS commissioner, within available appropriations, to develop a method and implementation plan for financing structures or alternative payment methods 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 method for licensed acute care hospitals (including children's hospitals).

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

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

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 (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.

§ 48 — 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. Generally, 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 act, however, 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 act also requires the treasurer to establish procurement procedures for awarding these contracts, consistent with the state's standards for investing these funds, 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 act, these contracts cannot be considered a (1) personal service agreement subject to the laws generally governing those agreements or (2) contract for contractual services subject to the laws generally governing state purchases.

EFFECTIVE DATE: Upon passage

§§ 49-52 — 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 act 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 set 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 act also makes technical changes, including removing obsolete language.

EFFECTIVE DATE: July 1, 2025

Judicial Salaries

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

Judicial Salaries

Position	*Prior Salary*	*Salary Under the Act 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.

Compensation for Administrative Duties

The law provides judges with extra compensation for taking on certain administrative duties. The act 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 act'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).

§ 53 — 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 act eliminates the requirement that the Department of Administrative Services (DAS) and OPM jointly review and comment on the report before the board submits it.
EFFECTIVE DATE: Upon passage

§ 54 — 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 act limits the donations that qualify for the youth development organization tax credit to those made to eligible organizations in Connecticut. Under prior law, donations made to any eligible nonprofit, regardless of its location, qualified 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.

§§ 55-57 — ANNUAL DISTRIBUTION OF SPECIAL LICENSE PLATE-RELATED FEES

Requires OPM to distribute the funds from three special license plate-related accounts annually, rather than quarterly

State law establishes special license plates commemorating people, organizations, and causes in a number of different categories. These plates have distinct designs or logos and typically carry fees that apply in addition to the standard vehicle registration fees. 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 act requires OPM to distribute the funds from three of these accounts annually, rather than quarterly as under prior law (see table below).

Special License Plate Accounts Impacted by the Act

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

EFFECTIVE DATE: Upon passage

§§ 58 & 59 — R&D AND R&E TAX CREDITS FOR QUALIFYING LLCS

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 act 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 act, 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 act 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. (PA 25-165, §§ 1 & 2, has identical provisions.)

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

§§ 60 & 61 — 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 act allows the state, through the attorney general (AG), to defend a member of the Public Defender Services Commission or any state officer or employee (collectively referred to as state employees below) if they are a witness in a criminal investigation and became one as a result of performing their work duties or in the scope of their employment.

Under the act, 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 (presumably, the employee's request for representation). He must also 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 representation must end and, if so, promptly notify the employee about that.

If the AG determines that there is a conflict of interest between the employee seeking representation and the state's broader legal interests, the act 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 act specifies that this representation is strictly limited to matters arising from the employee's status as a witness and does not extend to personal legal matters or conduct unrelated to the employee's work.

Civil Actions

Existing law, unchanged by the act, similarly requires the AG defend a state employee in any civil action or proceeding in any state or federal court arising out of any alleged act, omission, or deprivation that occurred or is alleged to have occurred while the state employee was performing his or her work duties. The act specifies that this representation is also strictly limited to matters arising from the employee's official duties and does not extend to personal legal matters or conduct unrelated to the employee's work

Federal Criminal Investigations or Prosecutions

The act also allows the state, through the AG, to defend 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 their 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 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.

The act also makes conforming changes (§ 61).

EFFECTIVE DATE: July 1, 2025

§ 62 — CJPPD PRISON EDUCATION PROGRAMS

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

The act 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 act 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

§§ 63-66 & 68 — REPEAL OF DIGITAL ANIMATION TAX CREDIT

Eliminates the digital animation tax credit and makes conforming changes

The act eliminates the digital animation tax credit, which, under prior law, was available for eligible companies with in-state studio facilities and 200 or more in-state employees that incurred eligible production expenses and costs in Connecticut. Previously, the credit had the same three tiers as the film production tax credit (10% to 30%, based on eligible expenditures) and could be applied against the corporation business and insurance premiums taxes. Total annual credits were capped at $15 million. (No credits have been issued under this program since 2016.) The act also makes conforming changes. (PA 25-165, §§ 3 & 10-13, has the same provisions.)

EFFECTIVE DATE: Upon passage

§§ 67 & 68 — 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 GAAP. The act 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

§ 68 — 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 act 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.

Prior law (1) specified how CI could structure the fund, invest its assets, and liquidate its returns; (2) allowed the fund to receive investments from pension funds, foundations, and other private entities; and (3) set the fund's term at 10 years, with extensions allowed if CI needed more time to liquidate the fund's assets.
EFFECTIVE DATE: Upon passage

§ 69 — 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 act 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 (see *Background — Mary Ann Handley Award*) and then enroll in a bachelor's program at Charter Oak State College or the Connecticut State Colleges and Universities (CSCU).

Under the act, starting with the fall 2026 semester, the new program's award amounts must be the same as under the Mary Ann Handley program. This means that eligible students receive a grant equal to the greater of (1) the unpaid portion of their eligible institutional costs (tuition and required fees) after subtracting their 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 including federal, state, or private student loans. It must be available until an eligible student, after enrolling at Charter Oak State College or CSCU, earns (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 act does not specify a deadline.)

The act also requires BOR to submit a report to the Appropriations and Higher Education and Employment Advancement committees by (1) November 1, 2026; (2) March 1, 2027; and (3) each following semester. 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 act's finish line scholars program is substantially similar to the Mary Ann Handley program, except it serves students who leave Connecticut State Community College (CT State) and enroll at Charter Oak State College or CSCU. Under the act, 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 act, the required report to the legislature 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).

§ 70 — 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. Prior law required its implementation in Bridgeport, Hartford, New Haven, New London, Norwich, and Waterbury. The act removes Norwich from the initiative.
EFFECTIVE DATE: July 1, 2025

§§ 71 & 72 — CLC PAYMENTS FOR DCP REGULATORY EXPENSES

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

The act 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. In FY 26, it ends the prior process, which required OPM to (1) assess CLC for these costs, and submit to CLC an assessment for the current fiscal year and a proposed assessment for the next fiscal year, based on the current year, by May 1 annually and (2) set the current fiscal year assessment by June 15 after receiving any objections from CLC and making any changes.

Beginning with FY 27, the act 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 act requires CLC to pay these assessments in three installments (on October 1, January 1, and April 1) beginning in FY 27, instead of four as previously required (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

§ 73 — 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

By 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 a certain amount. The approval requirement also applies to all DAS on-call contracts and to task letters. The act increases the value threshold triggering these requirements from $100,000 to $300,000, which matches the current threshold for higher education and Judicial Department projects. As under existing 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 licensed architects, professional engineers, landscape architects, land surveyors, accountants, interior designers, environmental professionals, construction administrators, and any planners or financial specialists. 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

§§ 74 & 75 — ADVERTISING DAS REAL ESTATE NEEDS

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

By law, when a state agency or institution needs to lease at least 2,500 square feet of space, the DAS commissioner generally must publicize the space needs and specifications. The act requires her to do this by posting notice about the space needs and specifications on the DAS website instead of by advertising them in a newspaper with substantial circulation in the area where the space is sought, as prior law required. 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, prior law required her, when practicable, to continue advertising in a newspaper as described above. The act requires this advertising to occur through a notice posted online (presumably, on the DAS website) instead of in a newspaper. As under prior 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

§ 76 — 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 act 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 for consultant services if the 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

§§ 77-82 — PROBATE COURT NOTICES SENT TO DAS

Removes requirements for DAS to get various notices from probate court proceedings, primarily related to conservatorships

The act removes requirements for the DAS commissioner to receive 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 (§ 77);
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 (§ 78);
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 (§ 79);
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 (§ 80);
5. copies of an application to appoint a conservator of the estate or for an involuntary representation, if they state that the respondent is receiving state aid or care (§ 81); 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 (§ 82).

EFFECTIVE DATE: January 1, 2026

§§ 83 & 84 — DAS REPEALERS

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

The act 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 (§ 83) (PA 25-174, § 132, reinstates the requirement for quarterly reports on the Office

of the Chief Medical Examiner's facilities with the first report due by October 1, 2025);
2. DAS to prepare, periodically update, and report on a 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 (§ 84).

EFFECTIVE DATE: Upon passage

§§ 85-87 — 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 act (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 these purposes.

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

§§ 88-94 —REPEALED AGENCY REPORTS

Repeals certain 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 act repeals certain agency reports and related provisions and makes conforming changes.

EFFECTIVE DATE: Upon passage

Agency Reports Repealed

The act repeals various reporting requirements. The affected reporting agencies are DCF, the Department of Correction (DOC), DMHAS, and DSS; budgeted agencies; the judicial branch's Court Support Services Division (CSSD); OPM, including CJPPD; and the 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.

Repealed Agency Reports

Prior 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	Annually
4-77	Budgeted agencies	• Office of Fiscal Analysis (OFA)	Non-appropriated moneys status report	Monthly
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 for energy programs and a description of how the funds will be spent	Annually

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

The act also repeals a provision that, under prior law, allowed funds to be transferred, upon the governor's recommendation and the Finance Advisory Committee's approval, from a specific account 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 subsequent 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 act eliminates prior law's requirement that, for each budgeted agency and its subdivisions, the budget document include a list of agency programs and a supporting schedule of total agency expenditures. Relatedly, the act also eliminates

prior 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).

§ 95 — 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 act requires the Office of Higher Education (OHE) to annually report to the Appropriations Committee, in addition to the Public Health Committee as required by existing law, on the program that provides $20,000 grants to licensed health care providers with at least 10 years of clinical experience 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

§ 96 — CHIEF DATA OFFICER'S HIGH VALUE DATA REPORT

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

The act 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 a 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.

The act also makes minor and technical changes.

EFFECTIVE DATE: October 1, 2025

§ 97 — 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 prior law required

Starting in 2025, the law establishes a tax credit administered by 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 act sets this tax credit at 50% of eligible cash contributions, rather than an amount specified by the DOH commissioner as prior law required.

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.

§ 98 — 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 act 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.)

Prior law required 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) were 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, were directed to an account or fund to pay for previously authorized capital projects.

The act 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

§§ 99-112— 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 act correspondingly makes changes to laws to effectuate the name

change.

The act allows additional municipalities to work with CMDA. Prior law prohibited Hartford and municipalities in the Capital Region Development Authority (CRDA) capital region from becoming "member municipalities" or joining through a "joint member entity." (Under prior law, the "capital region" encompassed the seven municipalities that surround Hartford, but another law narrowed the region, see *Background — Related Act*.) The act relaxes this restriction and instead allows any municipality except Hartford and East Hartford to work with CMDA.

The act 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 prior law required. And it expands municipalities' options for soliciting public input on plans to work with CMDA by allowing them to do so either by providing for public comment or holding a public hearing, rather than only the latter option as under prior law.

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 act broadens the definition of a qualifying "transit station" by eliminating a provision in prior law that required the station to be wholly within the boundaries of a member municipality or joint member entity's jurisdiction. Under existing law and the act, a district cannot extend into a municipality that has not opted to work with the authority.

EFFECTIVE DATE: October 1, 2025

Background — Related Act

PA 25-73, § 12, narrows the definition of capital region, which is the area in which CRDA may operate, to exclude Newington and West Hartford, in turn allowing these towns to become CMDA member municipalities.

§§ 113 & 114 — 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 act 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 (1) finds the person is indigent and unable to pay and (2) waives the costs for the participant. This applies as long as these costs are a covered benefit under the person's insurance. The act 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

§ 115 — OPIOID SETTLEMENT ADVISORY COMMITTEE

Adds two members to the Opioid Settlement Advisory Committee by increasing, from 23 to 25, the number of municipal representatives

The act 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 money.

EFFECTIVE DATE: Upon passage

§§ 116-120 — 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 act removes a prior 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 buprenorphine may be prescribed through telehealth.

It also makes technical changes to the definition of opioid drug in various statutes. (PA 25-101, §§ 23-26, makes the same opioid drug definition changes.)

EFFECTIVE DATE: Upon passage

§§ 121 & 122 — REFERRAL TO MFAC AND DESIGNATION AS TIER I

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

The act 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 act 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

§ 123 — DISTRICT PILOT GRANT REDIRECTED TO TOWN OF WINDHAM

Redirects certain PILOT grants for fire districts to Windham

The act requires OPM to give Windham any payment in lieu of taxes (PILOT) grant due to a fire district wholly within its boundaries.

EFFECTIVE DATE: July 1, 2025

§ 124 — 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) convene an advisory committee to establish the report card's contents, and (3) adjust the report card based on patient acuity levels

The act 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 any 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 act 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 act, 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 act 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' (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.)

§§ 125 & 126 — 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 act 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 prior law.

The act 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 act deems these properties 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

§§ 127-134 — CANNABIS 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 purposes the Social Equity Council solely determines to further the principles of equity

The act eliminates the 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.

Under prior law, the money from the Cannabis Social Equity and Innovation Fund had to 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 (RERACA).

Existing law and the act 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*), which may include the fund's purposes listed above, except for RERACA costs, and also includes funding investments in disproportionately impacted areas.

The act also makes technical and conforming changes, including eliminating the (1) obsolete cannabis regulatory and investment account, which had all remaining money transferred to the General Fund at the end of FY 23, and (2) requirement for the council to submit to OPM certain budgetary estimates information related to the Social Equity and Innovation Fund.

EFFECTIVE DATE: July 1, 2025

Fund Transfers

The act requires the following money that prior law required 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 license conversion fees for a (a) dispensary facility to become a hybrid retailer and (b) producer to engage in the adult use cannabis market, and
3. 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.

The act also requires the comptroller to transfer the Social Equity and Innovation Fund's remaining balance at the end of FY 25 to the social equity and innovation account.

Record as Revenue

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

§§ 135 & 136 — 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 each fiscal year and (2) enter into an MOU with UCHC to provide operational support

The act 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 in the annual reports submitted to the Office of Health Strategy's (OHS's) Health Systems Planning Unit as required by law.

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

It also deletes an obsolete provision.

EFFECTIVE DATE: July 1, 2025

§§ 137 & 138 — HIGHER EDUCATION 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 act 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 will advance the ethical and effective integration of social work services into law enforcement units 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 have the objectives of:

1. educating and training the social work and law enforcement workforce to collaborate by using a model that integrates police and social work;
2. increasing community wellness through training, research, education, and policy advocacy on integrating police and social work;
3. strengthening the engagement among social workers, law enforcement officers, and community members; and
4. promoting dialogues on diversity, disparities, and systemic racism in criminal and juvenile justice settings.

By January 1, 2026, the DESPP commissioner must enter an MOU with SCSU to establish the project. The MOU must require the DESPP commissioner's written authorization for any use of project funding for a purpose other than providing training or education to police officers.

Police Training Center

The act 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 an MOU with CCSU to establish the center. The MOU must require the DESPP commissioner's written authorization for any use of center funding for a purpose other than providing training or education to police officers.

EFFECTIVE DATE: July 1, 2025

§ 139 — PLAN FOR INCLUSIVE EDUCATIONAL OPPORTUNITIES WITHIN THE CONNECTICUT STATE UNIVERSITY SYSTEM

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

The act requires BOR, in consultation with the Department of Developmental Services, SDE, and DSS, to develop a plan for inclusive educational programs at universities within the Connecticut State University System (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 whether 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

§ 140 — UCONN HEALTH NEUROMODULATION CENTER

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

The act 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 act, "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, neuromodulation can be used in various treatments, such as for stroke recovery, Parkinson's Disease, and chronic pain.

EFFECTIVE DATE: Upon passage

§§ 141 & 142 — HIGHER EDUCATION CONSTITUENT UNITS AND ENERGY-SAVINGS PERFORMANCE CONTRACTS

Authorizes the constituent units of higher education 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 act allows a constituent unit of higher education (see *Background — Constituent Units 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. Under existing law, municipalities and state agencies (including constituent units of higher education) can participate in DEEP's process, which among other things, requires them to contract with a qualified energy service provider on DAS's list. Previously, only municipalities could opt out and establish their own process. Under the act, constituent units may also establish their own process, but it is subject to many of the same provisions required by law for DEEP's process.

Under existing law and the act, 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) include equipment design and implementation, 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.

The act allows constituent units to use any savings they realize for contract payments and other required expenses and to reinvest the savings (beyond the required payments and expenses) into other energy-saving measures when practicable.

Constituent Unit's Process

The act 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. As existing law requires under DEEP's process, a unit's process must include 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 act 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 act allows the contract to last for up to 30 years. Existing law allows municipalities and state agencies to enter these contracts for up to 20 years. Under both processes, contracts must require that payments be made over time, except when a contract terminates early.

Requests for Qualifications and Proposals

Like the requirements in existing law for DEEP's process, the act 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. a review of responses, for inclusion on the list, that is based on each provider's experience with different aspects of these contracts, including (a) energy efficiency retrofits, (b) monitoring projects and reporting savings from them, (c) project management, (d) access to long-term financing, (e) financial stability, (f) similar projects, (g) in-state subcontractors, and (h) other factors the unit determines are relevant and appropriate;
3. a request for proposals from at least three qualified providers, which must include in their responses a cost feasibility analysis to be used for selecting a provider for final negotiations;
4. consideration for 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. a requirement that selected providers 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
6. awarding contracts to the provider that best meets the unit's needs, which does not have to be to the lowest cost provider.

Policy Requiring an Engineering Review

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

Contract Provisions

Similar to the existing requirements for DEEP's process, the act generally 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 this use is consistent with their purpose;
3. payments beyond the fiscal year the contract becomes effective, for costs incurred in future years;
4. contracts that reflect the useful life of the cost saving measures;
5. contracts that allow payments over a period based on deadlines in the contract from the date of the final installation of the cost saving measures; and
6. contracts that require reconciliation of amounts owed in a period beyond a year, with final reconciliation before the contract ends, and contingency provisions if actual savings do not meet predicted savings.

The act also requires providers to (1) give constituent units an annual reconciliation of guaranteed energy cost savings, (2) pay the unit any shortfall amount (any excess amounts must remain with the unit and cannot be used to cover shortages in prior or future years), and (3) 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 act 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's square footage, or the facility's operating schedule or temperature;
3. a material change in the weather or amount of equipment or lighting used at the facility; or
4. other changes reasonably expected to change energy use or costs.

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) CSCU, including the state universities, Connecticut State Community College, and Charter Oak State College.
EFFECTIVE DATE: July 1, 2025

§ 143 — 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 act 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" is installing, maintaining, or repairing glass in residential or commercial structures.

EFFECTIVE DATE: July 1, 2025

§§ 144 & 145 — 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 act 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 juvenile products) with intentionally added PFAS only if the manufacturer labels them as such 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

§ 146 — 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, and explicitly extends the requirements to municipalities and other specified entities; 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 prior law, prevailing wage requirements applied to any business or legal entity ("business organization") receiving at least $1 million in DECD financial assistance for a covered construction project (i.e. building, remodeling, refinishing, refurbishing, rehabilitating, altering, or repairing a property the business owns). The act 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. It also explicitly extends these requirements to municipalities, regional councils of governments, state-certified brownfield land banks, and municipal and nonprofit economic development agencies receiving this financial assistance. 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).

As under the public works prevailing wage law, the contracts these covered entities 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.

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 act 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 act, 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

§ 147 — ANNUAL ADJUSTMENTS TO PREVAILING WAGE RATES

Requires contractors awarded contracts for DECD or renewable energy and hydrogen 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 (1) contact the labor commissioner by each July 1 during the contract to find out the current prevailing wage and contribution rates and (2) adjust wage and benefit contributions each July 1 during the contract to reflect changes in the prevailing wage. The act extends this requirement to contractors awarded contracts for (1) DECD prevailing wage projects (described above) and (2) renewable energy and hydrogen projects subject to prevailing wage requirements (CGS § 31-53d).
EFFECTIVE DATE: July 1, 2025

§ 148 — PREVAILING WAGE FOR OFFSITE CUSTOM FABRICATION

Extends the state's prevailing wage law to cover off-site custom fabrication for a public works project (PA 25-174, §§ 211 & 212, repeals this provision and replaces it with a substantially similar one)

The act extends the state's prevailing wage law to cover off-site custom fabrication for a covered public works project. Under the act, "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. (PA 25-174, §§ 211 & 212, repeals this provision and replaces it with a substantially similar one

that further specifies that the covered systems are "mechanical" ones.)

Generally, the prevailing wage law requires each contract to build, renovate, or repair certain public works projects to have a provision requiring the project's contractors and subcontractors to pay their construction workers wages and benefits equal to those customary or prevailing for the same work, in the same occupation, in the same town. Starting July 1, 2025, the act 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

§ 149 — STATE MARSHALS HEALTH INSURANCE

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

The act 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 act disqualifies a state marshal for state employee health insurance if the health insurance available through the marshal's spouse (1) has an actuarial value that at least equals the state employee plan; (2) offers 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.

Prior law allowed state marshals to join the state employee health insurance plan regardless of how many hours per week they work, but it required them to pay the full cost of the coverage. Under the act, state marshals who work less than 20 hours per week on average continue to have this option.

The act 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

§ 150 — 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.

Prior law required the governor to transmit the writs to a state marshal, who then had to transmit them to the town clerk or clerks. The act 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 that elections are to be held on the day appointed in the writs, in the same way that is done for state elections.

EFFECTIVE DATE: Upon passage

§§ 151-158 — 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

The act 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.

Related to the program's repeal, the act (1) transfers and credits all amounts appropriated and remaining for the program to the General Fund and (2) cancels all pending program applications, including those that were approved but remain unpaid. Additionally, prior law required remediation paid for by the program to be done, or directly supervised, by a registered contractor and according to applicable exposure criteria regulations. The act removes the program qualification, instead applying the requirement to all contaminated soil or groundwater remediation. It also makes related conforming changes.

EFFECTIVE DATE: Upon passage

§§ 159 & 160 — 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 act increases annual 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

§§ 161-165 — CANNABIS POLICIES AND PROCEDURES EXTENSION

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

Prior law required DCP and the Social Equity Council to issue policies and procedures to implement various cannabis provisions that were effective until final regulations were adopted or either June 22, 2025, or July 1, 2025, if the regulations had not been submitted to the Regulation Review Committee.

The act extends the maximum effective period of these policies and procedures by 15 months, but it eliminates the requirement that the regulations must not have been submitted to the Regulation Review Committee. (DCP 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. PA 25-166, §§ 15, 22, 27, 29 & 31, has identical provisions.
EFFECTIVE DATE: Upon passage

§ 166 — COMMUNITY OMBUDSMAN PROGRAM

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

The act 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 prior law, these provisions applied to home care services, which are long-term services and supports for adults in a home- or community-based DSS-administered program. Under the act, 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 act 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. Previously, only home health or hospice agencies and homemaker-companion agencies were considered home care providers.

Specifically, the act 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 act 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 act 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

§ 167 — 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 act 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 act, 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 act 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 required 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. Prior law required DSS to 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 act eliminates this requirement starting October 1, 2025 (presumably, DSS must still report to the committees by June 30, 2025).

§ 168 — ROAD NAMING

Eliminates a road naming from PA 25-65

The act eliminates a provision of PA 25-65 that named a road portion in East Hartford the "Melody A. Currey Memorial Highway."
EFFECTIVE DATE: Upon passage

§ 169 — 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 act 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 prior law did. In doing so, it maintains the prior 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 prior law, the act 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

§ 170 — FEDERAL RECOMMENDATION ADVISORY COMMITTEE

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

The act expressly allows the 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 a professor.

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

EFFECTIVE DATE: Upon passage

§§ 171 & 172 — 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 act 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 act 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.

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

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

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

It also authorizes the DPH commissioner to investigate violations and impose disciplinary action against hospitals or individual providers.

EFFECTIVE DATE: Upon passage

Required Regulations if EMTALA is Revoked (§ 172)

The act requires the DPH commissioner to adopt regulations to implement certain requirements for hospitals if EMTALA, as it existed as of the act'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 act, 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 act 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 act, 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 (*§ 171(e) & (f))*

Under the act, 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 act 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 ability to pay, insurance status, or certain other factors. 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).

§ 173 — 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 act 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 act requires the treasurer to follow certain standards when investing the account's funds.

Under the act, account-related administrative costs (for maintenance or disbursements) must be paid from the account itself and not from taxpayer funds; however, 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) 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 act 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 required in the act.

Board of Trustees

Under the act, 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 act requires the board of trustees, by September 1, 2025, to adopt policies and procedures for 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 act allows the board to update the policies and procedures as it deems necessary. 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.

§§ 174 & 175 — 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 act 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 act 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

§ 176 — PUBLIC HEALTH URGENT COMMUNICATION ACCOUNT

Creates an account to fund DPH communications during public health emergencies

The act 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 act, 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

§ 177 — EMERGENCY PUBLIC HEALTH FINANCIAL SAFEGUARD ACCOUNT

Creates an account to address unexpected shortfalls in public health funding

The act 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 act, 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 act specifically prohibits DPH from using the account for any of the purposes for which the safe harbor account must be used (see § 173).

EFFECTIVE DATE: Upon passage

§ 178 — 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 act 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

§ 179 — AEDS AT CERTAIN LONG-TERM CARE FACILITIES

Requires nursing homes and certain MRCs to have an AED in a central location

The act 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 act, MRCs generally are facilities consisting of private residential

units that provide a managed group living environment for people who are primarily age 55 or older. The act 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 the DSS assisted living demonstration project.
EFFECTIVE DATE: October 1, 2025

§ 180 — PANCREATIC CANCER SCREENING PROGRAM

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

The act 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) make referrals to appropriate screening, counseling services, and treatment referral services.

The act 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 health 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 act, "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) who lack 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

§ 181 — 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 act 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 act 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 act, "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

§ 182 — 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 act 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 act, 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. The portal may at least 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 act also authorizes OHA to (1) consult with 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.

§ 183 — 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 act 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 prior law.

EFFECTIVE DATE: Upon passage

§§ 184-186 — 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 act 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 act, does not require DPH-licensed hospice organizations to collect this information at client intake. The act 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 act 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). Previously, these requirements applied only to home health agencies.

Existing law requires home health agencies to conduct monthly safety assessments with direct care staff, and prior law required this to occur at the agency's monthly staff meeting. The act extends to hospice agencies the requirement to conduct these assessments. It 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.

Existing 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 act (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 act 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 (§ 185)

The act extends to hospice agencies safety training requirements that previously only applied 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 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 act, as under existing law for home health agencies, the DSS commissioner must generally require hospice 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.

§ 187 — 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 act specifies that the state's correction ombuds' services include evaluating the health care services provided to people who are incarcerated by 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 act 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 act also updates terminology and makes other technical changes.

EFFECTIVE DATE: October 1, 2025

§ 188 — 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 act 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, relative, or nonprofit hospital chief administrative officer), 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 respondent'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 respondent 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).

§ 189 — 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. The act requires them to also submit these reports to the DPH and OHS commissioners and the Healthcare Advocate.
EFFECTIVE DATE: Upon passage

§ 190 — HOSPITAL DISCHARGE WORKING GROUP

Creates a working group on hospital discharge challenges

The act 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. The group must report its findings and recommendations to the Human Services and Public Health committees by January 15, 2026.

Under the act, 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.

§ 191 — 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 institutions within CSCU (PA 25-174 repeals these provisions)

For FY 26 through FY 30, the act establishes a working group to oversee and monitor expenditures from each reserve fund of CSCU, or the higher education institutions within CSCU. Under the act, a "reserve fund" is a fund established for holding monies not immediately 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.

(PA 25-174, §§ 216 & 217, repeals these provisions and instead establishes a

subcommittee of the Higher Education Financial Sustainability Advisory Board to monitor CSCU expenditures and sustainability plans.)
EFFECTIVE DATE: July 1, 2025

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 give the working group, in a form and manner the group determines, the information needed to fulfill these responsibilities.

Under the act, 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 and hold the group's first meeting 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 act makes the Higher Education and Employment Advancement committee's chairpersons, vice chairpersons, and ranking members, or their designees, ex-officio, non-voting working group members. Under the act, however, the committee's chairpersons must select two members of the committee's leadership to serve as the group's chairpersons, and these two members, along with any chairperson's or ranking member's designee who is not a legislator, serve as voting members on the working group.

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

Voting Members

The working group includes the following voting members:

1. the group's chairpersons and certain legislator designees as specified above;
2. two OPM representatives appointed by the OPM secretary;
3. two CSCU representatives appointed by the CSCU chancellor;
4. the BOR chairperson, or his designee;
5. seven representatives from labor organizations who represent CSCU employees appointed by the Board of Regents' faculty advisory committee (CGS § 10a-3a); and
6. 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.

§§ 192-197 — 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 act 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 act 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 act 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 (§ 192)

Under the act, "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 (§ 193)

The act generally prohibits people without a lactation consultant license from:

1. practicing lactation consulting for compensation;
2. holding themselves 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 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 (§§ 194 & 197)

The act 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 (§ 195)

The act 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 related 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.

Under the act, 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 act 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.

§§ 198-227 — NON-DISCRIMINATION CONTRACT COMPLIANCE, SMALL BUSINESS AND MBE SPENDING ALLOCATION PROGRAM, AND STATE CONTRACTING DISPARITY STUDY

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 act 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*) 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. 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
5. 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 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 contractors on public works contracts, municipal public works contracts, and quasi-public agency projects.

Prior law individually defined a "public works contract," "municipal public works contract," and "quasi-public agency project." Under these definitions, a public works contract was an agreement between any individual, firm, or corporation and the state or any of its political subdivisions (other than a municipality) for constructing, rehabilitating, converting, extending, demolishing, or repairing a public building or highway or other changes or improvements in real property, or which was financed in whole or in part by the state, including matching expenditures, grants, loans, insurance, or guarantees. A "municipal public works contract" and "quasi-public agency project" were substantially similar to a public works contract, except that either a municipality or quasi-public agency was a party to the contract, and the project was anticipated to cost more than $50,000.

The act 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 act, a "public works contract" is an agreement for constructing, rehabilitating, converting, extending, demolishing, or repairing of changes or improvements in real property that is financed in whole or in part with at least $150,000 from the state, including matching expenditures, grants, loans, insurance, or guarantees. In broadening the definition in this way, the act 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 (§§ 199, 208 & 227)

Contract Compliance Law (§§ 199 & 227). 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 act 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 act 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. The law also includes criteria such as the contractor's employment and subcontracting policies, patterns, and practices, among other things.

The act 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, among other changes.

The act allows CHRO to adopt regulations on these provisions.

Additionally, the act 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 (§ 208). The 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 act 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 (§§ 200 & 201)

Converting Set-Aside Program to Spending Allocation Program. Prior law generally required 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 prior law, this requirement applied 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 act instead applies the requirement, as amended by the act, to any of those contracts financed with at least $150,000 of state funding, regardless of the contract's value.

The act removes both fixed 25% set-aside requirements for small contractors and MBEs and replaces it with the spending allocation program provisions described below. It makes CHRO responsible for administering the new program for public works contracts. Under prior law, the Department of Administrative Services (DAS) commissioner administered the set-aside program for state agencies, and CHRO administered it for municipalities and quasi-public agencies.

Database of Certified Small Contractors and MBEs. The act requires the state's chief data officer or his designee, by January 1, 2026, and in consultation with the 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.

DAS Report on Spending Allocation Goals. The act 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 act 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 act, 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. 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 act 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 act 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 act 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 act 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 act, 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-today management of all construction or engineering activities for a project under a public works contracts with an awarding agency.

The act 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 prior set-aside program, the act 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 act also requires the DAS commissioner to establish a process for certifying small contractors and MBEs as eligible for the spending allocation program, under the same parameters and procedures that applied to certifications for the set-aside program. As under prior law, DAS must maintain an updated directory of certified small contractors and MBEs.

Contractor Letters of Credit. The act 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 above that threshold.

CHRO Audits. The act 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 act 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 act, 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 prior law required 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 act 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 act, by each November 1, and then quarterly, each state agency setting annual and contract-specific spending allocation goals must prepare a 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 act 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 DAS and economic and community development commissioners, 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.

Regulations. The act allows CHRO to adopt regulations to carry out the new program's purposes (prior law limited these regulations to municipal and quasi-public agency projects covered by the set-aside program). It also requires the DAS commissioner to adopt regulations to carry out the new program's purposes (prior law limited these DAS regulations to the state agency set-aside program). As under prior law, the DAS regulations must include provisions on (1) how program applies to individuals with a disability; (2) guidelines for a legally acceptable format for, and content of, authorized letters of credit; (3) procedures for random site visits to businesses applying for certification; and (4) time limits for approving or disapproving applications.

Other Provisions. As under the prior set-aside program, the act (1) specifies that its provision on the spending allocation program do not apply to certain janitorial or service contracts, and (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.

Program Statement of Purpose. The law generally (1) finds that there is a serious need to help small contractors, MBEs, nonprofit organizations, and people

with disabilities be considered for and awarded state contracts and (2) declares the need to award contracts under the program as a matter of legislative determination. The act 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, and then every five years, the act 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 (§§ 202-204)

Contracts for Less Than $1 Million (§ 202). Under prior law, a contractor with at least 50 employees who was awarded a public works or municipal public works contract, or a quasi-public agency project for between $50,000 and $1 million, had to develop and file an affirmative action plan with CHRO. The act applies this requirement to "public works contracts" as defined in the act, 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 act removes the prior 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 provisions that generally (1) made a failure to develop an approved plan a bar on bidding on or being awarded future contracts; (2) required CHRO to issue certificates of compliance, valid for two years, to contractors with approved plans; and (3) allowed CHRO to revoke a certificate if

the contractor did not implement the plan as required by law.

Instead, under the act, contractors awarded a public works contract (as defined by the act) 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 resubmit an amended plan within 45 days after receiving notice about the disapproval 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 act, 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 (§ 203). The act generally requires contractors awarded a public works contract (as defined by the act) 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 act removes prior law's provisions for contracts over $1 million that generally:

1. required contractors to file their plans for approval after their bid was accepted, but before the contract is awarded;
2. allowed CHRO to conditionally accept a plan if the contractor gave written assurance that it will amend the plan to meet affirmative action requirements;
3. required 2% of the total contract price to be withheld per month from any payment to the contractor until it develops an affirmative action plan (instead, it requires the same amount to be withheld until the contractor's compliance reports have been submitted and approved (see § 204 below)); and
4. allowed a contractor to file a plan in advance or at the same time as a bid.

Compliance Report Deadlines (§ 204). The law requires contractors and subcontractors to file compliance reports with CHRO when the commission directs

it, but prior law did not set a deadline for them to do so. The act 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 it within that time, it is deemed approved or deficient without consequence.

For public works contracts of at least $1 million, the act 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 (§§ 211 & 214)

With certain exceptions, prior law generally required 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 act 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 prior 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 (§ 213)

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 act 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

By 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) maintains its principal place of business in the state, (b) had gross revenues of $20 million or less during its most recent fiscal year, and (c) is independent (i.e. generally not reliant on another entity in order to operate).

"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)).

§§ 228 & 229 — TRANSPORTATION NETWORK COMPANIES STUDY AND WORKING GROUP

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

Comptroller's Study

The act requires the comptroller to study the compensation of transportation network companies (TNCs) and third-party delivery company drivers in the state. It allows him to hire a consultant for the study but requires him to (1) do 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 act, the comptroller 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 (1) exclude proprietary, trade secret, competitively sensitive, or otherwise confidential commercial information that is not publicly available and (2) be aggregated so that it does not report any personally identifiable information.

Working Group

The act also 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 act, the working group ends when it submits the report or on January 1, 2027, whichever is later.

The act requires the working group to have the following members, or their designees: the Labor and Public Employees Committee chairpersons, the DOL commissioner, the transportation commissioner, and the comptroller. It must also include appointed members as shown in the table below.

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 act, all appointed members may be legislators, and all initial appointments must be made within 30 days after the act becomes effective. Any vacancies must be filled by the appointing authority.

The act 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 act becomes effective, and then meet monthly and at other times they find necessary.

Lastly, the act requires the Labor and Public Employees Committee's administrative staff to serve in this capacity for the working group.

EFFECTIVE DATE: Upon passage

§ 230 — LYME GRANGE FAIR ASSOCIATION PROPERTY

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

The act 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 act, the association is not subject to any cap.

EFFECTIVE DATE: July 1, 2025

§§ 231 & 232 — RESTRICTIONS ON ASSIGNED MUNICIPAL LIENS FOR DELINQUENT PROPERTY TAXES AND SEWER ASSESSMENTS (REPEALED)

Has no legal effect because of repeal in PA 25-174

The act would have imposed several restrictions on certain municipal lien

assignments, but PA 25-174, § 223, repealed them before they would have gone into effect. Starting July 1, 2026, this act would have reduced, 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, 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 existing 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 act would have reduced this amount to 12% on the delinquent portion of the principal of the assigned taxes.

Additionally, the act would have limited the validity and enforceability of these assignments unless they were in a written contract executed by the municipality and the assignee that included (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 already required to be in a written assignment contract 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 act also would have capped 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 act would have also extended the above validity and enforceability provision and the attorney's fees cap to assigned liens for delinquent municipal sewer assessments. These extensions similarly would have applied to assignments executed on or after July 1, 2026, and for actions beginning on or after that date.
EFFECTIVE DATE: October 1, 2025

§§ 233-242 — 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, state 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). The act 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 (TDIU) rating. It also authorizes municipalities to expand or limit these optional exemptions and the 100% P&T exemption in specified ways.

The act 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.

Existing law, with some exceptions, generally prohibits a person from receiving more than one veteran-related property tax exemption. The act expands this provision to include these exemptions.

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

State 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, then 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 act, 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. The act makes the following changes to the exemption's scope:

1. limits the exemption for 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 a primary residence;
2. specifies it covers 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 for 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 act 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 a veteran's 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. Under existing law, any taxpayers claiming a veteran-related property tax exemption must give proof of their eligibility to the municipality in which they claim it. For assessment years on or after October 1, 2025, the act specifies that to qualify for the 100% P&T exemption, the claimant must annually apply for the exemption by January 1, using an application created by OPM. The application must include all documentation needed to prove the claimant's qualifying disability rating and an attestation that the claimant has 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 as long as they continue to reside in the town. The act adds an exception for taxpayers claiming the 100% P&T disability exemption who, under the act, must apply annually.

Further, by law, assessors may, at any time, require taxpayers to appear in person to provide proof that they are still eligible for specified property tax exemptions. For the 100% P&T exemption, the act allows 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. The act extends to the 100% P&T exemption existing law that allows a veteran's property tax exemption to apply to certain property he or she leases. This leased property 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.

Portability of the Exemption. 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 act adds the 100% P&T property tax exemption to the list of portable veteran tax exemptions.

Modification of U.S. DVA Disability Rating.

Generally, the law requires taxpayers to provide proof of their eligibility for

specified veteran exemptions as a condition of receiving them. The act 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 act, if a veteran's disability rating changes so that 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

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 age 65 are also eligible for a base exemption of up to $3,500. Veterans may also qualify for an additional severe service-related disability amount of $5,000 or $10,000 for certain qualifying injuries (e.g., total blindness)

Under existing law, the exemption consists of the base amount plus either an additional 50% or 200% of the base exemption amount plus any severe service-related disability 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 act authorizes a municipality, upon its legislative body's approval, instead of providing the disabled veterans property tax exemption noted above, 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 (see above). Additionally, municipalities may, with their legislative bodies' approval, expand the scope of this exemption in similar ways as the 100% P&T exemption: exempting up to two acres of the dwelling lot, extending it to certain eligible surviving spouses for qualifying veterans who died before October 1, 2025, or limiting the exemption based on the median assessed value of residential property in the municipality.

As under existing law for the required disabled veteran property tax exemption noted above, 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 act 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

By law, municipalities must give specified property tax exemptions to the unmarried surviving spouses of certain veterans or service members. For example, one exemption consists of a base amount of $3,000 (CGS § 12-81(22)), 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. A municipality may exempt up to $20,000 or 10% of the assessed value of real or personal property (CGS § 12-81ii).

The act authorizes a municipality, with its legislative body's approval, to offer an alternative property tax exemption to unmarried surviving spouses of veterans 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 (see above). Additionally, the municipality's legislative body 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.

In order to receive the exemption, 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 from 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 act 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 act, a spouse is presumed eligible to receive the exemption once he or she is approved. The act 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 taxpayers to appear in person to provide proof that they are still eligible for the exemption. The act allows a spouse to provide documentation certifying he or she is 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 act expands this provision to include this exemption.

Background – Related Act

PA 25-2, §§ 4-6, specifies that a veteran qualifies for the 100% P&T exemption if the U.S. DVA determines him or her to be permanently and totally disabled based on a 100% service-connected disability rating. It also establishes procedures for municipalities to adjust their 2024 grand lists accordingly.

§ 243 — DCF EMERGENCY CHILD PLACEMENT

Renames DCF placements with non-licensed caregivers as "emergency placements" and defines the new term

By law, a child can be placed with a relative or fictive kin caregiver who is not 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 act specifies that these placements are "emergency placements," defined 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. (PA 25-116, § 1, makes the same changes as this section.)

The act also makes technical and conforming changes.

§ 244 — SEEC EXECUTIVE DIRECTOR REAPPOINTMENTS

Specified that SEEC could reappoint its executive director for an additional term, up to an additional four years, without receiving legislative approval; specified that an executive director could not be reappointed more than once (PA 25-174, § 227, repeals this section)

By law, the State Elections Enforcement Commission (SEEC) may hire employees needed to administer the state's campaign finance laws, including its executive director. PA 25-26, § 9, required SEEC to submit its executive director nomination to the legislature for approval starting February 1, 2027, and every four years after (this provision was generally repealed and replaced by PA 25-174, § 226).

Under prior law, if the nomination was approved, the executive director generally served a four-year term and could be reappointed at the commission's discretion. This act would have limited 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 act, SEEC was not required to submit the reappointment to the legislature for approval. The act specified that an executive director who has been reappointed may not be reappointed again.

(This section was repealed by PA 25-174, § 227. That act (PA 25-174, § 226), instead limits the SEEC executive director to two terms and requires him or her, before reappointment for a second term, to attend, and testify at, a legislative hearing about SEEC's performance and the Citizens' Election Program.)

EFFECTIVE DATE: July 1, 2025

§§ 245 & 246 — 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 act expands the Juvenile Justice Policy and Oversight Committee's (JJPOC) membership by adding DOH and 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 act 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 act 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 states grants 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 issue policy direction and participate in its preparation and administration.

In line with the federal requirement, the act 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 act 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 appointees, the act requires at least (1) 20% to be under age 24 when first appointed and (2) three who either have past or present experience in the juvenile justice system or, if that is not feasible, and it is appropriate, are a parent or guardian of someone with this experience.

The act 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 act's two-term cap.

§ 247 — SDE CHRONIC ABSENTEEISM REPORT

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

The act requires 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

§ 248 — 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 act 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

§ 249 — 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 act requires 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

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

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

The act 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 act 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

§ 251 — 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 act requires the OPM secretary to (1) annually report to JJPOC with an evaluation of the reentry success plan for juveniles released from DOC and judicial branch facilities and programs and (2) coordinate policy development between OPM and 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

§§ 252-259 — REAL ESTATE WHOLESALERS

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; prohibits certain related filings on the town land records

The act requires a person (i.e. individual or business entity) to have a 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 having a closing date that is more than 90 days after the contract is executed.

Under the act, real estate wholesalers must make certain disclosures and give a

prospective seller a DCP-developed wholesale disclosure report.

The act 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 act allows the DCP commissioner to adopt regulations to implement these provisions. It also makes a violation of these provisions a Connecticut Unfair Trade Practices Act (CUTPA) violation (see *Background — CUTPA*).

EFFECTIVE DATE: July 1, 2026

Real Estate Wholesaler Registration

The act requires a person to have a DCP registration before acting as a real estate wholesaler in Connecticut. The initial registration is valid for up to 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 act allows a person to simultaneously hold a real estate broker or real estate salesperson license and a real estate wholesaler registration.

Under the act, 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" is 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 to the property. A "residential real property" is a one-to-four-family residential property, including (1) a cooperative or condominium with up to four units or (2) an individual unit in a multiunit (50 or more unit) development.

Real Estate Wholesale Contract

Under the act, each real estate wholesale contract must at least include a provision:

1. giving the seller a three-business-day period in which the seller may, at their expense, review the contract terms with an attorney or other advisor and
2. allowing the seller to cancel the contract during this period without giving any reason or incurring any penalty or obligation, except to return any deposit the wholesaler paid to the seller.

Closing Date. The act prohibits any real estate wholesale contract from having a closing date that is more than 90 days after all parties executed the contract. The parties may agree to extend this period if they do so in writing with all their signatures. If there is no extension, the contract automatically terminates at the end of the 90-day period.

Seller Disclosures. The act requires a seller, before entering into a real estate

wholesale contract with a real estate wholesaler, to:

1. give the wholesaler a written residential condition report about the property that satisfies state law's requirements for the report and
2. satisfy all relevant federal reporting requirements.

Sale or Assignment to Third Party. Under the act, any real estate wholesaler seeking to sell or assign a real estate wholesale contract to a third party must, before the sale or assignment, give the third party:

1. a written notice (a) disclosing all the third party's rights, as described in the real estate wholesale contract with the seller, and (b) identifying the 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 it, and
2. the written residential condition report that the property's seller gave to the wholesaler as the act requires (see above).

Wholesale Disclosure Report

The act 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 act requires the report to also include the following language, in a form and manner set by the commissioner, in the order indicated:

"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 act 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:"

Starting on October 1, 2026, the act requires a real estate wholesaler, before executing a real estate wholesale contract with a prospective residential real property seller, to give the prospective seller the written wholesale disclosure report

that the DCP commissioner developed. The act specifies that the wholesaler may deliver the report to the prospective seller by electronic means.

Certain Land Recordings Prohibited

The act 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 of the contract or any documentation that claims to create any lien or encumbrance on, or other security interest in, the property that is the subject of the contract. The act also prohibits a real estate wholesaler from filing a purchaser's lien related to a real estate wholesale contract.

Under the act, if any such contract, notice, record, documentation, or lien is recorded on the land records of any town related to the property that is the subject of the contract, it 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 act, if a real estate wholesale contract, or any notice or record of one, 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. The person may do so by recording an affidavit of facts related to the recording of the contract, notice, or record. Upon recording the affidavit, any filing giving 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.

§ 260 — PROPERTY UNDER FUNERAL SERVICE CONTRACTS

Replaces a requirement created by PA 25-81 with a similar one that requires property holders to obtain a list of all their properties held under a funeral service contract that generally meet any of three triggers for deeming the property payable or distributable

PA 25-81 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 act requires that property held under the contract be deemed payable or distributable under the state's unclaimed property laws on the earliest of any of the following triggers:

1. when the property holder receives affirmative notice about the death of a beneficiary associated with the contract for which the holder maintains an escrow account,
2. the beneficiary's 110th birthday, or
3. 75 years after the contract's execution.

Relatedly, PA 25-81, § 2, also requires property holders to obtain a list of all their properties held as part of a funeral service contract that was executed at least 75 years ago for which the (1) funeral service establishment has received an affirmative death notification about the beneficiary or (2) beneficiary has reached 110 years old.

This act replaces that act's requirement and instead requires the property holder to obtain a list of all their properties held under a funeral services contract (1) that was executed at least 75 years ago, (2) for which the funeral service establishment has received an affirmative death notification about the beneficiary, or (3) for which the beneficiary has reached 110 years old.

Under PA 25-81, § 2, unchanged by this act, property holders must obtain these lists annually, by March 1, from funeral service establishments. (By law, these establishments must maintain a copy of all funeral service contracts they enter into or that are assigned to them (CGS § 42-200(d)).)

EFFECTIVE DATE: July 1, 2025

§ 261 — UNLAWFUL DISSEMINATION OF AN INTIMATE SYNTHETIC IMAGE

Establishes a new crime of unlawful dissemination of an intimate synthetically created image that is generally similar to the existing crime of unlawful dissemination of an intimate image; penalties vary based on (1) how the person distributed the image (including the number of recipients and how it was sent) and (2) whether the person intended to harm the victim

The act establishes a new crime of unlawful dissemination of an intimate synthetically created image that is generally similar to the existing crime of unlawful dissemination of an intimate image.

As under the existing crime, the act's new crime applies to the intentional dissemination of images of someone else in certain degrees of nudity or engaged in sexual intercourse. It does not apply in certain circumstances, such as if the image resulted from voluntary exposure in public.

Under the act, a "synthetically created image" can be a photograph, film, videotape, or another type of image of someone. It must (1) not be wholly recorded by a camera or (2) be generated, at least in part, by a computer system. It must depict an identifiable person and be virtually indistinguishable from what a reasonable person would believe to be an actual depiction of that person.

The act's penalties vary based on (1) how the person distributed the image (including the number of recipients and how it was sent) and (2) whether the person

intended to harm the victim (the person whose image is depicted) when acquiring or creating the image or having it created.

Also, as under the existing crime, the act specifies that it does not impose liability on certain service providers for content provided by someone else.

EFFECTIVE DATE: October 1, 2025

Elements of the Crime

Under the act, a person is guilty of this new crime when the:

1. person intentionally disseminates, by electronic or other means, an image of (a) certain body parts of another person (genitals, pubic area, or buttocks; or female breasts below the top of the nipple) without a fully opaque covering or (b) another person engaged in sexual intercourse;
2. person disseminate the image without the victim's consent;
3. person knows that the image is synthetically created but disseminates it intending for the viewer to be deceived into believing that it actually shows the victim; and
4. victim of the images suffers harm because of the dissemination.

"Harm" includes subjecting the other person (victim) to hatred, contempt, ridicule, physical or financial injury, psychological harm, or serious emotional distress.

The act includes enhanced penalties (see below) if the person, in taking these actions, acquired or created the image, or had it created, intending to harm the other person.

Exemptions

The act does not apply if the person depicted in the image:

1. voluntarily exposed himself or herself, or engaged in sexual intercourse, in a public place or commercial setting, or
2. is not clearly identifiable, unless there is other personally identifying information associated or included with the image.

Penalties

As shown in the table below, the act's penalties vary based on the offender's method of distribution and intent to harm the victim.

Penalties Under the Act

Method of Distribution	***Penalty (Based on Intent of Harm)***
The person gave or otherwise disseminated the image to someone by any means	The person intended to harm the victim when acquiring or creating the image or having it created: class A misdemeanor (see Table on Penalties) Otherwise: class D misdemeanor

Method of Distribution	*Penalty (Based on Intent of Harm)*
The person gave or otherwise disseminated the image to multiple people using an interactive computer service (e.g., an internet access service), an information service (e.g., electronic publishing), or a telecommunications device	The person intended to harm the victim when acquiring or creating the image or having it created: class D felony Otherwise: class C misdemeanor

Service Providers' Protection From Liability

The act specifies that it does not impose liability on interactive computer services, information services, and telecommunications services for content provided by another.

§§ 262 & 263 — ROBERTA B. WILLIS SCHOLARSHIPS

Limits the Roberta B. Willis Scholarship Program to need-based grants and need and merit-based grants by eliminating the Charter Oak grant; requires OHE to annually notify institutions of their estimated funding for need-based awards by November 1

The act limits the Roberta B. Willis Scholarship Program to a need-based grant and a need and merit-based grant by eliminating the program's Charter Oak grant (a need-based award for Charter Oak State College students). By law, up to 80% of program funding is for need-based grants and 20% to 30% of program funding or $10 million, whichever is greater, is for need and merit-based awards.

By law, OHE allocates funds to institutions for 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 act 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 act 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 (FAFSA).
EFFECTIVE DATE: July 1, 2026, except the provision on notifying institutions of their funding for needs-based awards is effective July 1, 2025.

§ 264 — 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 after a determination of need upon intake

Existing law requires the 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 act requires the commissioner to make certain updates to the plan by October 1, 2025, and to report on it by that date.

Prior law required the plan to include guidelines to implement requirements on a range of issues related to incarcerated peoples' health care. The act instead requires the plan to ensure that these requirements are met. As under prior law, the requirements cover topics 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 act 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 act 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 act 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, PA, or APRN. The act 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 act 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 and provide services 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 act 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.

§ 265 — 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 punitive diets as a form of discipline

The act requires the DOC commissioner to provide palatable and nutritious meals to everyone in the department's custody. It also bars him from allowing these people to be fed (1) nutraloaf as a form of discipline or (2) any other diet used for punishment purposes. Under the act, "nutraloaf" is a mixture of foods blended together and baked into a solid loaf.

EFFECTIVE DATE: October 1, 2025

§ 266 — 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 act 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 the federal 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

§ 267 — CORRECTIONAL CENTER RELOCATION STUDY

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

The act requires the Department of Administrative Services (DAS) commissioner, in consultation with the Department of Correction (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 act, the DAS commissioner must submit the study to the Judiciary Committee by January 1, 2027.

EFFECTIVE DATE: Upon passage

§ 268 — 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 act 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

§ 269 — DOCUMENTING ASSAULTS AGAINST CORRECTIONAL STAFF

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

The act 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

§§ 270 & 271 — REPORTS ON STRIP AND 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 act 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 to the Government Oversight and Judiciary committees by January 1, 2027.

Additionally, the act requires the DOC commissioner, by February 15, 2027, to give these same committees a report 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

§ 272 — CORRECTION OMBUDS ACCESSING MEDICAL RECORDS

Requires the correction ombuds, before accessing an incarcerated person's medical record, to notify the person about the reasons for doing so

Under the act, 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

§§ 273 & 274 — SOLAR PHOTOVOLTAIC FACILITY EMERGENCY PREPAREDNESS PROGRAM

Requires the DESPP commissioner to establish a solar photovoltaic facility emergency preparedness program, within available funds; establishes an account to fund this program and specifies it must contain any federal reimbursements or grants related to the preparedness program; money may only be spent according to an OPM-approved plan

The act requires the DESPP commissioner to establish and administer, within available funds, a solar photovoltaic facility emergency preparedness program (for facilities with a generating capacity of more than one megawatt) and creates an account to fund its activities.
EFFECTIVE DATE: October 1, 2025

General Fund Account

The act 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 must be credited to the account. The State Treasurer must invest the funds based on established investment practices and return any earned interest to the account.

Emergency Preparedness Program

The act requires the DESPP commissioner to establish and administer, within available funds, 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 with these plans. The program must:

1. develop a detailed solar photovoltaic facility emergency response plan for

areas surrounding each facility;
2. provide annual training for state and local emergency response personnel for emergency responses to fires or other hazards located at or near these facilities;
3. develop accident scenarios and exercises for solar photovoltaic facility emergency response plans; and
4. provide specialized response equipment necessary to respond to these emergencies.

The act requires the DESPP commissioner, in conjunction with the Department of Energy and Environmental Protection (DEEP) commissioner, to use the money in the account for the program. They must do so according to an Office of Policy and Management (OPM) approved plan.

OPM Plan Approval

By May 1 annually, the DESPP commissioner, in consultation with the 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 act's requirements, approve it by June 1 annually.

§§ 275 & 276 — 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 related 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 act 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 retained by OHS conducts the review, at the applicant's expense.

The act 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 reports. 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 act 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 prior 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.

§§ 277-287 — REPRODUCTIVE AND GENDER-AFFIRMING HEALTH CARE SERVICES

Subjects HIPAA-covered entities' business associates to the law's limits on disclosing protected information without consent; requires the entities and business associates to notify the attorney general when they get a subpoena for certain patient information; specifies that gender-affirming health care services do not include conversion therapy for anyone under age 18

The act makes several changes to state laws that generally protect health care providers and recipients who lawfully engage in reproductive or gender-affirming health care services in Connecticut from liability imposed by another state and certain actions related to it.

Specifically, the act:

1. subjects HIPAA-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 get 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 act, "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 medications that treat gender dysphoria and gender incongruence, rather than medical care set out in certain specified publications as under prior law.

Lastly, the act 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 act 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 involve accessing or using protected health information.

Attorney General Notification. Under the act, 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 state attorney general a copy of it. The act requires him to post information about how they must do so.

§ 288 — TRANSFER STATION PERMITS AND LICENSES

Sets conditions under which certain transfer stations may continue to operate and accept municipal solid waste, including recyclables, while their commercial transfer station permit application is pending before DEEP; requires MIRA Dissolution Authority's transfer station permits and licenses to transfer to Essex and remain in effect when the transfer station's ownership or operation transfers from the MIRA Dissolution Authority to the town; requires the Torrington Transfer Station's permits or licenses to transfer to the Northwest Resource Recovery Authority, or its designee; requires the DEEP commissioner to grant the Wallingford Transfer Station a temporary operating permit

Authorization for a Specified Transfer Station to Continue Operating and Accepting Municipal Solid Waste

The act sets conditions under which the owner or operator of certain transfer stations may continue to operate and accept municipal solid waste, including recyclables, while their commercial transfer station permit application is pending before DEEP.

The act'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 act, 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 act, 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.

Other Transfer Station Permits

The act also requires:
1. 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 remain in full force and effect;
2. the Torrington Transfer Station's permits or licenses to be deemed transferred to the Northwest Resource Recovery Authority, or its designee, and remain in full force and effect; and
3. the DEEP commissioner to grant the Wallingford Transfer Station's owner a temporary operating permit until the owner submits a complete application to the commissioner to resume its operations according to all applicable requirements.

Under the act, these requirements apply regardless of the existing laws on DEEP license transfers.

EFFECTIVE DATE: July 1, 2025

§§ 289-292 — ABSENTEE VOTING PROCEDURES FOR ELIGIBLE INCARCERATED INDIVIDUALS

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

The act simplifies the process for people in state custody to vote by absentee ballot if they are still eligible to vote. Generally, a person convicted of a felony 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. Prior law specified 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 act explicitly extends this to eligible voters in state custody being held in any DOC facility.

The act requires the secretary of the state to create absentee ballot application forms for use by eligible voters within DOC facilities and to give the forms to DOC. It creates procedures for distributing and processing these applications.

The act also makes technical and conforming changes.

EFFECTIVE DATE: January 1, 2026

Absentee Ballot Form Requirements

The act requires the ballot application the secretary creates to include spaces for:

1. the applicant's signature and printed or typed name;
2. the signature of any person who helped the applicant complete 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, anyone who helped them under the penalty of false statement in absentee balloting. By law, false statement in absentee balloting is a class D felony (see Table on Penalties) (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 act requires the applicant to provide a mailing address within a DOC facility in order to receive an absentee ballot.

The act'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 act, 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 act 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 act exempts DOC employees from requirements to do the following when providing applications to incarcerated voters:

1. register with the municipal clerk before distributing at least five applications for an election, primary, or referendum to individuals other than their immediate family and
2. maintain and file with the municipal clerk a list of names and addresses of any individuals to which they distribute applications.

§ 293 — ADDITIONAL EARLY VOTING LOCATIONS ON CERTAIN COLLEGE CAMPUSES

Requires certain municipalities with 1,000 or more students living on a college campus or in college-affiliated housing to establish an additional early voting location on campus

By law, each municipality must have a location for voters to cast their votes in person during an election's or primary's early voting period. The act requires a municipality's registrars of voters to designate an additional on-campus early voting location if the municipality has (1) a campus of a constituent unit of higher education and (2) at least 1,000 students living in housing on the campus or in housing the constituent unit owns, operates, or is affiliated with.

Like existing early voting locations, the added location must be (1) able to connect to the Centralized Voter Registration System, (2) certified by the secretary of the state, and (3) accessible to voters with physical disabilities. 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

§ 294 — SAME-DAY ELECTION REGISTRATION PROOF OF ADDRESS

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

State law allows a person to register to vote through same-day election registration by appearing in person at a designated site on election day before the polls close or during the early voting period, declaring under oath that they did not already vote in the election, and applying for admission as the law requires. As part of the application, an applicant must (1) give certain information such as their name, bona fide residence by street and number, and birthdate and (2) present a birth certificate, driver's license, or Social Security card, or a current college photo identification card if the applicant is an enrolled college student.

Under existing law, unchanged by the act, if the information the applicant provides does not prove their address, the applicant must submit other 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 act additionally allows an applicant to prove their address by the testimony under oath of an elector, as existing law already allows when an applicant fails to provide the required identification documentation during the regular elector application process.
EFFECTIVE DATE: July 1, 2025

§§ 295 & 296 — 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 act makes several changes to the curbside voting law, including adding several related prohibitions. It also makes conforming changes.

Under prior law, if a voter could not access his or her polling place due to a temporary incapacity, the registrars of voters or the assistant registrars of voters had to take a ballot out to the voter. After showing any required identification, the voter could mark their ballot and return it to the registrars to be cast. The act (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 act 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 act requires the secretary of the state to adopt regulations to implement these provisions. She must include a model curbside voting plan that municipalities may adopt.

A violation of these provisions, including the removal or injury to any marker the act requires, is a class C misdemeanor (see Table on Penalties).

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

§§ 297 & 298 — ELECTION-RELATED MATERIALS TRANSLATION

Establishes the Translation Advisory Committee to evaluate translated municipal election-related materials and sets membership and eligibility requirements; requires municipalities that must

provide translated election materials under federal or state law to use professional translators and submit these translations to the committee

Translation Advisory Committee

The act creates a Translation Advisory Committee within the secretary of the state's office for (1) validating the translations 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. It allows the secretary to adopt regulations to carry out these purposes.

The secretary must appoint the committee's initial members by August 1, 2025, from those who apply and submit a writing sample. The members must:

1. be current 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 (a) election administration (such as serving as a poll worker) or (b) bilingual educational settings or community assistance programs.

Under the act, members serve (1) a four-year term, or until their successor is appointed and has qualified, and (2) without compensation or mileage reimbursement. The committee must meet at least quarterly, and 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.

Municipal Submission of Election-Related Materials

The act requires each municipality required by federal or state law to make election-related materials available in non-English languages to (1) use professional translators when translating these materials and (2) submit the translated materials to the Translation Advisory Committee for review as soon as practicable, but no later than 65 days before an election, primary, or referendum. Under the act, a "professional translator" is 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 State and Federal Laws

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. The state's VRA also requires municipalities to provide language-related assistance based on specified population metrics.

§ 299 — 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 act 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, and starts the decrease in funding for overfunded towns in FY 28, rather than FY 26 as under prior law. Once the decreases begin it maintains the same schedule of decreases as under prior law for each year, with larger decreases in each following year until the overfunded towns are at their fully-funded level.

The act leaves unchanged the existing provision that begins to fully-fund the underfunded towns in FY 26. (PA 25-174, § 218, makes identical changes to the ECS schedule as this section.)

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 and weighted 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 have seen a decrease in funding due to lower school enrollment, an increase in its town wealth, or some other change.

ECS Funding Changes for Overfunded Towns

The table below shows the act's changes for FYs 26-34.

ECS Funding Schedule Changes for Overfunded Towns, FYs 26-34

Fiscal Year	*Overfunded Towns*	
	Prior Law	Act
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

§ 300 — LOCAL FOOD FOR SCHOOLS INCENTIVE PROGRAM

Makes various changes to LFSIP, including expanding the program to child care providers, making SDE the lead administering agency, and requiring SDE to use at least 20% of the program's annual appropriation to engage with external partners to provide supplemental services

The act makes several changes to the Local Food for Schools Incentive Program (LFSIP), which makes 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. Under prior law, only local or regional boards of education participating in the National School Lunch Program were eligible.

The act 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 implemented collaboratively between the two agencies, according to a memorandum of understanding outlining each agency's responsibilities.

Under the act, 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 act eliminates a provision in prior law authorizing supplemental LFSIP grants that schools could use to pay for similar services. Prior law gave priority for these grants to alliance districts.

The act also (1) allows SDE to give preference to historically underserved farmers, rather than socially disadvantaged farmers as under prior law; (2) specifies that food must be used in an eligible meal program to be eligible for reimbursement; (3) specifically requires SDE to seek and maximize available federal funding to administer the program; and (4) makes numerous minor, 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, prior law allowed the administering agency to include a preference for socially disadvantaged farmers. The act instead allows this preference to be given to historically underserved farmers.

Under federal law (and incorporated into prior 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 act, also allows the administering agency to give preference to small farm businesses.

Background — Local Food for Schools Incentive Program

LFSIP reimburses eligible entities that purchase locally or regionally sourced food (produce and other farm products) to be used in an eligible meal program. Locally sourced foods are eligible for 50% reimbursement, and regionally sourced foods are eligible for 33.3% reimbursement.

§ 301 — 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) health benefit 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 act 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 act reduces the state's contribution to 25%.
EFFECTIVE DATE: Upon passage

§§ 302-306 — 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 act 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 prior law, this requirement generally applied through FY 25 (except for adult education grants, which were last subject to this requirement in FY 22). The table below lists the grants that must be reduced and the fiscal years in which the requirement applies.

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

§§ 307 & 308 — CHOICE PROGRAM GRANTS FOR MAGNET SCHOOLS AND VO-AG CENTERS

Makes permanent the choice program grants for interdistrict magnet schools and vo-ag centers; beginning with FY 25, adds a new method to determine grants for new magnet schools that begin operating on or after July 1, 2024

The act makes permanent the choice program grants for interdistrict magnet schools and regional agricultural science and technology centers (i.e. "vo-ag centers"), which were set to expire at the end of FY 25 under prior law.

The act 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 act 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 ECS 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 applied student need weightings to the magnet school and vo-ag grants.

§ 309 — 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 act charges SDE with administering funds for two programs to support advanced and dual credit courses and programs within available appropriations.

Specifically, the act 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 act also allows SDE to pay the State Education Resource Center (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

§ 310 — 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 act removes a requirement that the Office of Early Childhood (OEC) give Birth-to-Three early intervention providers a $200 general administrative payment 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

§ 311 — ELIMINATION OF OEC BEING UNDER SDE

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

The act eliminates the provision placing the OEC under SDE for administrative purposes only, conforming to current practice.
EFFECTIVE DATE: July 1, 2025

§ 312 — 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 for RESCs, instead basing the grants on actual costs of transportation services and (2) payment schedule for all magnet school transportation grants

The act 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 prior law, SDE awarded (1) Sheff magnet school transportation grants in an amount equal to $2,000 per pupil, and (2) supplemental Sheff magnet school transportation grants to RESCs within available appropriations. (Non-Sheff magnet school transportation grants are calculated based on $1,300 per pupil.)

Starting with FY 26, the act 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 may be paid out of the grant funds. This is the same audit requirement that applied under prior law to the supplemental grants.

Starting with FY 26, the act also changes the payment schedule for these grants to RESCs. Under the act, up to 95% of the grant must be paid by June 30 of the fiscal year based on documentation provided before May 31, with up to 50% of the estimated transportation costs in October. The remainder must be paid in increments by March 1 of the next fiscal year upon the financial review's

completion. (This was somewhat similar to the prior schedule for the supplemental grants.)

Separately, for transportation grants to the other magnet schools, the act allows for payments to be made earlier than previously required. Specifically, half of the estimated eligible transportation costs must be paid by October 31, with the remainder paid by May 31. Prior law required the payments to be made in October and May, respectively. (An identical provision also passed in PA 25-143, § 13.)
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.

§ 313 — 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

Prior law authorized bonding for an OEC-administered grant program for facility improvements and minor capital repairs under certain child care and related programs. The act modifies the list of eligible programs by adding Early Start CT (a state-funded early care and education program set to launch in FY 26) and removing Even Start (a family literacy program for parents and children). By law and unchanged by the act, 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).

The act increases the maximum grant amount from $75,000 to $100,000 per classroom.

It also makes two conforming changes by removing the school readiness program and state-funded day care centers under another program as qualifying grant recipients (PA 24-78 repealed these as individual programs on July 1, 2025, and merged them Early Start CT).
EFFECTIVE DATE: July 1, 2025

§ 314 — 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 a town is designated an alliance district, the comptroller withholds part of the town's ECS grant and transfers it to the education commissioner who

releases the funds to the town once the school district has an approved alliance district plan describing how the money will be used. The town must then pay the funds to the school board.

Under prior law, Enfield was in the group of alliance district towns that use FY 22 as the base year to compare current ECS funding to and determine the amount of ECS funds covered by the alliance district law (overall state funding for ECS has increased each year since FY 17). The act 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 from one year to the next, and graduation rates.

EFFECTIVE DATE: July 1, 2025

§ 315 — 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 act 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 act codifies the existing program into statute.

Under the act, 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, 2026

§ 316 — 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 act 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. The grant must cover a two-year period and can be awarded to any program that provides high-dosage tutoring.

Under the act, 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 give the Education Committee a report on the grant program's implementation and outcomes for the two-year period when grants were awarded.

EFFECTIVE DATE: July 1, 2026

High-Dosage Tutoring Defined

Under the act, "high-dosage tutoring" is tutoring with one or more of the following elements:

1. one tutor per group of four or fewer 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 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.

§ 317 — SPECIAL EDUCATION GRANT PROPORTIONAL REDUCTION

Extends a requirement that grants be reduced proportionally to all fiscal years, rather than only for FY 26

Beginning with FY 26, PA 25-67 entitles each school board to a special education and expansion development grant through a formula the act creates. However, if the total amount of the grant calculation for FY 26 exceeds the amount appropriated in the budget, then it proportionately reduces the amounts payable to a school board. The act extends this proportional reduction to all fiscal years after FY 26.

EFFECTIVE DATE: July 1, 2025

§§ 318-320 — 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 may charge tuition to the school districts that send students to the magnet school. Beginning FY 25, they cannot charge for tuition more than 58% of the amount they charged in FY 24. The act adds a method to determine tuition for magnet schools that began operating on or after July 1, 2024. (Magnet school operators include a local or regional board of education, a regional educational service center, a higher education institution's board, or education commissioner-approved non-profit corporations.)

Under the act, 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.

Existing law, unchanged by the act, 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 act applies the same tuition setting method noted above for new preschool programs that began operating on or after July 1, 2024.

EFFECTIVE DATE: July 1, 2025

§§ 321-323 — 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 and reconsideration; specifies criteria the policies must meet

The act requires (1) school boards and (2) public library 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 prior law, public libraries (but not school libraries) had to adopt collection development, collection management, and collection reconsideration policies to be eligible for state grants. Under the act, they must instead adopt policies meeting the act's requirements to be eligible.

The act 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 act 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 a book offensive or (b) because of the origin, background, or viewpoints of

the material's creator or as expressed in the material.

The act'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 act also grants employees immunity from liability when they perform their duties as described under the act.

EFFECTIVE DATE: Upon passage

Definitions

Under the act, "library and other educational material" is 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. For 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 act 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 act 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 act, 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 act'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 act 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 act 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 act 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 act 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 act, the library material review and reconsideration policies must include (1) a process for requesting that library materials be removed; (2) a reconsideration request form; (3) the request process details, including a 60-day deadline for the library material review committee or the library director to issue a decision on removal; and (4) an appeals process.

Under the act, to "remove" is to deliberately take 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 act 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 (a) expressed in the material, display, or program, or (b) 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 public 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 act's policies required for school libraries and public libraries are broadly similar, there are some differences in the reconsideration request process and appeals process.

School Library Policy, Decisions, and Appeals. Under the act, the school library 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. The form must (1) require the individual to

specify which part of the material he or she objects to and provide an explanation for the objection and (2) provide an opportunity for a request submission by individuals with a vested interest (students, parents, and staff members, as described above). However, the act 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 school board position; (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.

If a high school student submits the form, and if the superintendent deems it appropriate, a different high school student may serve on the review committee, 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 act 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, on 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 act 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 act, 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, on 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 act 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. Then, it must deliberate on the reconsideration request. Finally, it must prepare a written statement on the reasons for reconsidering (or refusing to reconsider) the library material and include any final decision that is contrary to the library director's decision.

Under the act, 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 act, each school board and governing body must make available on the board's or governing body's website the (1) collection development and maintenance policy, (2) library display and program policy, and (3) library material review and reconsideration policy adopted under the act. If there is no website, it must be made available inside the school or public library or included in the school or public library's policy manual.

Library Grants (§ 323)

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 act modifies this to require public libraries (not including school libraries) to adopt and adhere to the policies the act requires to be eligible for state library grants. Existing law and the act require the reconsideration policy to offer residents a clear process to request a reconsideration of library materials.

§ 324 — STATE SUPPLEMENT PROGRAM (SSP)

Freezes SSP payment standards for FYs 26 and 27

The State Supplement Program (SSP) gives cash assistance to people who are aged, blind, or living with a disability. These benefits are meant to supplement other income (e.g., federal Supplemental Security Income).

The law generally requires the DSS commissioner to annually increase SSP payment standards based on the consumer price index within certain parameters. The act freezes SSP payment standards for FYs 26 and 27.

EFFECTIVE DATE: July 1, 2025

§§ 325 & 326 — 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) gives 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 finds them eligible after 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 not need monthly TFA if they get a service or short-term benefit.

Prior law established a separate, shorter process for domestic violence victims to get diversion assistance. Under prior law and within DSS's available resources, domestic violence victims who requested diversion assistance only needed to be found eligible for TFA in an initial assessment and DSS had to exclude any household member the victim credibly accused of domestic violence for eligibility and benefit calculation purposes (e.g., income and asset determinations). The act eliminates this separate process for domestic violence victims, applying the same process to them as other applicants for diversion assistance.

The act correspondingly eliminates a related payment under a different program. State Administered General Assistance (SAGA) gives cash assistance to people with disabilities who cannot work. Under prior law, domestic violence victims who are not eligible for diversion assistance were eligible for a one-time SAGA payment, within DSS's available resources, equal to the TFA diversion assistance payment they would have received if they were eligible. The act eliminates this SAGA payment.

EFFECTIVE DATE: July 1, 2025

§ 327 — OBESITY TREATMENT UNDER MEDICAID AND CHIP

Allows, rather than requires, DSS to cover certain obesity treatments 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).

Prior state law required DSS to provide this coverage in Connecticut for treatments such as prescription drugs and (for severe obesity) bariatric surgery. The act 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 prior law, the treatments that had to be covered included, among other things, federal FDA-approved prescription drugs for outpatient obesity treatment. The act's drug coverage more narrowly applies to those for people with (1) type 2 diabetes or (2) obesity and a comorbid condition. Additionally, under the act, if obesity drug treatment is covered under Medicaid and CHIP, the DSS commissioner must require prior authorization and, under certain conditions, step therapy when clinically appropriate before covering these drugs.

The act limits the amount of time the commissioner can require step therapy for these drugs 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

§§ 328 & 329 — 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, and report to the legislature

The act 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 primarily 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 act also requires the comptroller to collect corresponding data, and additionally on the number of enrollees prescribed GLP-1 drug treatment primarily 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

§§ 330-335 — 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 act 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 (§ 330)

Existing 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 act prohibits DSS from rebasing nursing home costs in FY 26.

Inflationary Adjustments (§ 331)

For FYs 26 and 27, regardless of department regulations on nursing home reimbursement, the act 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 (§ 331)

The act 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 (§ 332)

Regardless of the state's nursing home Medicaid reimbursement law, the act 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 act authorizes DSS to decrease the facility's rate by the same amount.

Supplemental Funding for Workforce Retention (§§ 333-335)

For FY 27, the act requires the DSS commissioner to distribute up to $10 million to nursing homes eligible for supplemental funding to promote workforce retention for nursing home providers that offer high employee health and retirement security standards. It also requires the commissioner to distribute up to $55 million in supplemental funding 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.

(PA 25-174 (§ 220) requires, rather than allows, the commissioner to proportionally distribute the funds in FY 28 to stay within the allocated amount. It also specifies that (1) the hourly rate for registered nurse's aides must be at least $26 and (2) any remaining funds must be used for other wage increases and minimum increases for nurses; nurse's aides; and dietary, housekeeping, laundry, maintenance, and plant operation personnel.)

Under the act, 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.

As under existing law, the act permits DSS to 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.

§ 336 — 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 act 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 from 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 act, 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 act 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 act also 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 act 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

§ 337 — 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

For FYs 26 and 27, the act allows DSS to give residential care homes (RCH) a rate increase for a DSS-approved capital improvement for the residents' health or safety, to the extent the increases are within available appropriations.

The act also allows the DSS commissioner, in her discretion and within available appropriations, to give prorated 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, the increases must not be otherwise included in issued rates.

EFFECTIVE DATE: July 1, 2025

§ 338 — HEALTH SYSTEMS PLANNING UNIT STUDY

Specifies that the Health Systems Planning Unit must conduct its biennial health care facility utilization study within available appropriations

By law, the Office of Health Strategy's (OHS) Health Systems Planning Unit must biennially study statewide health care facility utilization. The act specifies that it must do this within available appropriations.
EFFECTIVE DATE: July 1, 2025

§ 339 — 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 act 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 eliminates (1) prior law's process for ADS to certify with DMV a person with disabilities' driver training completion and recommend any license restrictions or limitations and (2) certain related provisions (including the requirement that DMV issue a driver's license with the recommended restrictions if the person has met all other requirements for a license).

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 act extends this authority and immunity to unit staff while examining people with disabilities' driving ability.

Under the act, as under existing law, this unit serves state residents with serious disabilities who can drive using special equipment but who cannot get instruction through other driver education programs.
EFFECTIVE DATE: July 1, 2025

Background — Related Act

PA 25-148, § 8, has identical provisions.

§ 340 — MAPOC CHAIRPERSONS

Designates the Human Services and Public Health committees' chairpersons as MAPOC's chairpersons

The act designates the Human Services and Public Health committees' chairpersons as the Council on Medical Assistance Program Oversight's (MAPOC) chairpersons. Under prior law, MAPOC selected a chairperson from among its members.

By law, this council must advise 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.
EFFECTIVE DATE: July 1, 2025

§ 341 — MEDICAID COVERAGE FOR BREAST PROSTHESES

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

The act requires the DSS commissioner to distribute information about Medicaid coverage for a custom-made, noninvasive breast prosthesis, which is an exterior form to fit a mastectomy patient's individual physical profile to restore symmetrical appearance after surgery.

Under the act, she must (1) include the information in a DSS-developed Medicaid-enrolled providers' bulletin and in Medicaid enrollees' communication materials and (2) disseminate it through existing programs in collaboration with the Department of Public Health (DPH) commissioner.
EFFECTIVE DATE: Upon passage

§§ 342 & 343 — ASSISTANCE PROGRAM ELIGIBILITY INCOME DISREGARDS

Requires the DSS commissioner to disregard income (1) a person receives from participating in certain DSS-approved pilot programs and job training programs when determining TFA eligibility and (2) from rental assistance pilot programs when determining eligibility for DSS-administered assistance programs

The act requires the DSS commissioner, when determining 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 act, this disregard applies for as long as the family member participates in the pilot program, up to 36 months. The act sets the conditions under which DSS may approve these pilot programs.

The act 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 act, 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 act 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 act 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 act 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 act, 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.

§ 344 — SCHOOL-BASED BEHAVIORAL HEALTH SERVICES BILLING

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

By September 1, 2026, the act 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 committee must (1) do this in collaboration with SDE and DSS and (2) submit a report on the framework and guidelines to the Appropriations, Education, and Human Services committees by October 1, 2026.
EFFECTIVE DATE: Upon passage

§§ 345-347 — IDENTIFIED PRESCRIPTION DRUGS

Caps the sales price for 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 act generally 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. However, the penalty does not apply to those that made less than $250,000 in total annual sales in the state in the calendar year for which the penalty would have been imposed. The act also creates a process for an aggrieved person to request a hearing to dispute the penalty.

Under the act, 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

Starting January 1, 2026, regardless of state statute, the act 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 act, a "pharmaceutical manufacturer" is a person or entity that manufactures a prescription drug and sells it, directly or through another person, for distribution in the state. A "wholesale distributor" is a person or entity 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 act 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 act imposes a civil penalty on pharmaceutical manufacturers and wholesale distributors that violate the price cap. The Department of Revenue Services (DRS) commissioner must impose, calculate, and collect the civil penalty on a calendar year basis.

Penalty Calculation. The civil penalty amount for a calendar year must equal 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 for more than the price cap.

Penalty Exception. The act 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 have been 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 a statement for that calendar year with him.

The commissioner must set the statement's form, manner, and content. 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 act 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

The act allows the commissioner, as he deems necessary, to 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. After the examination, if the 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.

Under the act, to provide or secure information about 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. And 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 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.

Hearings

Hearings by Application. Under the act, any pharmaceutical manufacturer or wholesale distributor 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. The DRS commissioner must promptly consider each application and notify the pharmaceutical manufacturer or wholesale distributor (1) immediately of a hearing denial or (2) about the date, time, and place for a hearing that is granted.

After the hearing, the commissioner may make orders as appear just and lawful to him and must give a copy to the pharmaceutical manufacturer or wholesale distributor.

Hearings on the DRS Commissioner's Initiative. By notice and in writing, the commissioner may also 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

Under the act, within 30 days after the aggrieved pharmaceutical manufacturer or wholesale distributor is served notice of the DRS commissioner's order, decision, determination, or disallowance, it may appeal to the Superior Court for the New Britain judicial district. 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.

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.

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 grant equitable relief and, if the civil penalty was paid before the relief was granted, order the state treasurer to pay the amount of the relief. 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

Oaths, Witnesses, and Record Production. The act allows the commissioner to administer oaths and take testimony under oath for any inquiry or investigation. It also gives these powers to the commissioner's agent duly authorized to conduct any inquiry, investigation, or hearing under the provisions above.

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.

Under the act, a witness under a subpoena authorized 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, appears but refuses to answer the commissioner's or his agent's questions, or does not produce related books, papers, or other documentary evidence, 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. Under the act, officers who serve these subpoenas and witnesses attending these hearings must receive fees and compensation at the same rates as officers and witnesses in the state courts. This must be paid on DRS vouchers on order of the state comptroller from the proper appropriation.

State Collection and Attorney General's Lien Foreclosure

State Collection Agency Process. The act allows the amount of any unpaid civil penalty under the price cap violation-related provisions to be collected using the same process 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) uses under existing law. Under the act, 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.

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 to foreclose the lien must be brought by the attorney general 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.

Under the act, the civil penalties may generally be used to reduce any amount payable by the state to the person, as under existing law on penalties due from taxpayers.

Officer's and Employee's Liability

Willful Failure to Perform. In addition to any other penalty provided by law,

the act imposes a fine of up to $1,000, imprisonment up to one year, or both on 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.

Regardless of existing limitations on prosecuting certain violations or offenses, the act sets a three-year statute of limitations for prosecuting officers or employees for these violations committed on or after January 1, 2026.

Willful Delivery or Disclosure of Fraudulent or False Material. Under the act, 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 (see Table on Penalties), in addition to any other penalty provided by law.

Under the act, 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 act's civil penalty 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 act 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 act authorizes the commissioner to adopt regulations to implement its provisions on identified prescription drug pricing and sales.

Withdrawal of Identified Prescription Drug

Under the act, 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 OHS disclosing that intention at least 180 days before the withdrawal. The act 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 act's civil penalty. Any pharmaceutical manufacturer or wholesale distributor that violates these

withdrawal provisions is liable to the state for a $500,000 civil penalty.

§§ 348 & 349 — APPEALS PROCESS FOR DSS RATES AND AUDITS

Allows parties to appeal any items not resolved at a rehearing 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) DSS's final report on a long-term care facility audit or (2) a decision DSS makes on their payment rates. For audit final reports, this process applies to hospitals, nursing homes, residential care homes, and intermediate care facilities for people with intellectual disabilities. For payment rate decisions, the process applies to additional providers, including home health care agencies, group homes, federally qualified health centers, and home care service providers (e.g., homemaker services, respite care, and meals-on-wheels), among others.

Under prior law, any items that were not resolved at the rehearing had to be submitted for binding arbitration to an arbitration board, with one member appointed by the intuition or agency, one member appointed by the DSS commissioner, and one member appointed by the chief court administrator. Prior law required the board's proceedings to follow federal Medicaid laws and the state's Uniform Administrative Procedures Act (UAPA).

The act instead allows parties to appeal any items not resolved at a rehearing to the Superior Court, as authorized under the UAPA. The act 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

§§ 350-352 — 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 FQHCs based on their costs to provide services. It also 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 act requires DSS to provide an alternative, updated prospective payment methodology by October 1, 2025, that is (1) 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 (2) subject to

available appropriations.

The act requires any rebasing established under this alternative, 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 act requires cumulative increases in state appropriations for these amounts.

Under the act, each FQHC must have the option to be reimbursed under the alternative, updated prospective payment system or the federal rates.

The act requires any alternative payment methodology DSS adopts for FQHC payments to be consistent with federal law. Any alternative payment methodology DSS develops must be an additional option and not replace the alternative, updated payment methodology required under the act. The act requires DSS to consult with FQHCs before implementing any additional alternative payment methodology.

Scope of Services

The act changes the procedures for adjusting an FQHC's encounter rate due to changes in its scope of services. The act 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 give DSS information after DSS requests it is 30 calendar days, rather than 30 days.

Under prior law, DSS could adjust an FQHC's encounter rate after an FQHC issued this notice or based on the department's review of documents the FQHC had previously filed. The act 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 act, 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 act 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 those changes may have resulted from expanding or reducing an existing clinic or addition or discontinuing a satellite or new site.

Under the act, the new encounter rate for approved requests 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

Existing law, unchanged by the act, 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 act specifies that this also applies while DSS amends existing regulations. The act 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

§ 353 — NET OPERATING LOSS DEDUCTION FOR CERTAIN COMBINED GROUPS

Eliminates an alternative NOL rule that previously applied 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 established an alternative net operating loss (NOL) rule that allowed combined groups with over $6 billion in 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 prior law, combined groups that made this election were only subject to the standard NOL limitation once they applied all of their pre-2015 operating losses in this way. (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.) The act 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.

The act allows the groups 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. By law, corporations may carry forward NOLs until they 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).

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

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

Eliminates the $2.5 million cap on the amount by which 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 act eliminates the $2.5 million cap on the amount by which 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

§ 355 — RELIEF FROM INTEREST ON ESTIMATED TAX UNDERPAYMENTS

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

The act exempts corporation business taxpayers from interest on underpayments of estimated tax for income years starting on or after January 1, 2025, but before the act's passage (June 30, 2025), for any additional tax due as a result of the following corporation business tax changes made by the act:

1. eliminating the alternative NOL rule for certain combined groups (§ 353); 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 (§ 354).

EFFECTIVE DATE: Upon passage

§§ 356 & 357 — CORPORATION BUSINESS TAX SURCHARGE

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

The act extends the 10% corporation business tax surcharge for three additional years, to the 2026 through 2028 income years. Under prior law, the surcharge expired after the 2025 income year.

As under existing law for the prior 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 act, 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 law eliminates the tax starting in 2028.

EFFECTIVE DATE: Upon passage

§ 358 — 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 act 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 existing law, qualifying small businesses that are not biotechnology companies may receive a refund of 65% of the credit amount.

Under the act, 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.

§§ 359, 361, 363 & 364 — 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

Prior law imposed 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 was 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 act instead imposes a 6% tax on "nursing facility service revenue" and "ICF service revenue" that applies unless CMS determines that the tax is impermissible, as described below. Under the act 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 act, the tax does not apply to ICFs operated exclusively by the state, other than those it operates as a receiver.

The act 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 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 act 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 act 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 the act eliminates are reinstated and apply starting with the calendar quarter during which the determination was made. If the state successfully appeals the determination, the user fees cease 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.

§§ 360 & 361 — 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 prior law, the tax rate for inpatient hospital services was 6% of each hospital's FY 16 audited net revenue attributable to these services. Beginning July 1, 2026, the act 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.)

Applicable FFY Under the Act

State FY (July 1 – June 30)	***Applicable FFY (October 1 – September 30)***
FYs 27-29	FFY 24
FYs 30-33	FFY 27
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 prior law, the effective tax rate on outpatient hospital services was 10.4858% for FY 26 and after. The rate calculation was $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 act 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 act 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 act, 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 applied under prior law when calculating FY 16

audited net revenue.

Exemption for Children's Hospitals

The act 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 act, "children's general hospitals" are health care facilities licensed by DPH as short-term children's hospitals. They exclude specialty hospitals.

Hospital Dissolutions or Cessation of Operations

Under the act, as under existing law, the amount of hospital tax due from each hospital must be recalculated if any 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 other hospital is recalculated for the following fiscal year and each year after. The act 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 act, "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 act, if a hospital or hospitals subject to the tax merge, consolidate, are acquired, 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 act, 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 after his request.

Under the act, 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 for each day the failure continues. (The same penalty applies by 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 act allows hospitals to file an administrative protest under the hospital provider tax to contest the DRS commissioner's determination of additional audited net revenue.

Under the act, 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 act requires the DRS commissioner to report quarterly, starting by November 15, 2026, to the DSS commissioner and the OPM 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 act eliminates provisions allowing taxpayers subject to the hospital provider tax to request a payment extension under certain circumstances.

Specifically, prior law allowed taxpayers to file, on or before the date a tax or fee payment was due, a request for a reasonable extension of time to pay the tax or fee due to undue hardship. The taxpayer had to demonstrate undue hardship by a showing that it was 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 could grant an extension only if he determined that an undue hardship existed (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.

§ 362 — 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

By law, and to the extent required by the settlement agreement for *The Connecticut Hospital Association et al.* v. *Connecticut Department of Social Services et al.* (No. HHB-CV16-6035321-S) approved by the General Assembly on December 18, 2019, and related court orders, DSS must pay specified amounts in supplemental Medicaid payments to hospitals in the state.

For FY 27 and subsequent years, prior law required DSS to pay out the amount paid in FY 26 ($568.3 million) unless it was changed by state law. The act 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 act 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

§§ 365 & 366 — 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 act 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

§ 367 — CONNECTICUT ITINERANT VENDORS GUARANTY FUND

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

The act 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

§ 368 — SALES AND USE TAX EXEMPTION FOR AMBULANCES

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

The act exempts from sales and use tax:

1. ambulance-type vehicles used exclusively to transport medically incapacitated people, 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.

§ 369 — 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 act 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 length of this 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.

EFFECTIVE DATE: July 1, 2025

§ 370 — DUES TAX EXEMPTION

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

The act increases the threshold for the amount of annual dues and initiation fees that are exempt from the state's dues tax from a maximum of $100 to a maximum of $250. The 10% dues tax applies to amounts paid as dues or initiation fees to any social, athletic, or sporting club (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

§ 371 — EARNED INCOME TAX CREDIT (EITC) INCREASE

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

By law, Connecticut residents who qualify for, and claim, the federal EITC may claim a refundable state EITC equal to 40% of the federal credit for the same tax year. The act 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. 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.

§ 372 — 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 act 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 act requires the DRS commissioner to treat the excess as an overpayment and refund it without interest. By law, and under the act, 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. 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)).

§ 373 — 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 act creates a refundable corporate and income tax credit for farmers' investments in eligible machinery, equipment, and buildings. Under the act, 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 act, the credit is 20% of the amount eligible farmers paid or incurred for eligible property in the applicable income or tax year. Eligible 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 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 (such as 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 act, "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

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 act, 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 act 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 act, the recapture requirements do not apply to property for which the farmer received a credit and subsequently replaced and 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.

Background — Related Act

PA 25-152, § 5, creates a similar farm investment tax credit that applies to a broader range of agricultural production.

§ 374 — CHET CONTRIBUTION TAX CREDIT

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

The act 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 act, 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.

§§ 375-383 — 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

Overview

The act makes various changes to the CHET program statutes, primarily to:
1. align the program's statutes with federal law and current practice;

2. explicitly authorize the treasurer to retain investment advisors to make CHET trust fund investments on his behalf;
3. eliminate the statutory framework for the CHET Baby Scholars Fund program and its related account;
4. 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; and
5. make other minor, technical, and conforming changes.

EFFECTIVE DATE: July 1, 2025

Definitions

The act replaces references to "depositors" (anyone making a deposit or payment to CHET 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 prior definitions of "designated beneficiary" and "eligible educational institution" with the substantively similar definitions in the federal law applicable to programs like CHET.

It also incorporates the federal definition of "qualified higher education expenses." Under prior law, these expenses included 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 act authorizes him to retain investment advisors to make these investments. Under the act, 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 act 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

Prior law required 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 act 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 act 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 act eliminates the statutory authorization for the CHET Baby Scholars program, which provides state incentive payments for people who establish CHET plans. Under prior law, a plan qualified for these payments if the child was born or legally adopted on or after January 1, 2014, and lived in Connecticut when the state made the payments. The act 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.

Prior law required the treasurer to 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 act 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. (The Connecticut Baby Bonds Trust funds the Baby Bonds program, which invests

up to $3,200 for certain individuals at birth that they can claim between the ages of 18 and 30 for expenses such as education, buying a home, investing in a business in Connecticut, or personal financial investments. The trust is designated as a 501(c)(3) charitable trust.)

The act 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.

§§ 384 & 385 — 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 act 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 act 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 act 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 act 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). It allows corporation business taxpayers 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 act, taxpayers may carry forward unused credits for 15 years until they are fully taken.

Applications to Reserve Credits

Under the act, taxpayers that are subject to one of the specified taxes may apply to UConn to reserve a credit allocation. UConn must set the application, which must include the information it needs to administer the tax credit program. The university must reserve credit allocations for taxpayers that meet the act'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 UConn previously reserved for the taxpayer, 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 documentation satisfactory to UConn to verify that the taxpayer paid the amount requested under a qualified agreement.

The act 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 satisfactory to UConn to verify that the taxpayer paid the amount requested under a 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 act 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.

§ 386 — 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 act 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 existing 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. Prior law set the threshold at $3,150 million and required that it be annually adjusted for personal income growth, as described above. The threshold was previously set at $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

§ 387 — 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

Prior law required 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 act 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. Prior law required DRS to update this plan annually. The act instead requires it to update the plan as part of its biennial update of the tax gap report.
EFFECTIVE DATE: Upon passage

§ 388 — 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

Existing 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 act 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 existing 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

§§ 389 & 390 — 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 act 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 act, 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 is 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 act 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 act 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

act's maximum allowable variance.
EFFECTIVE DATE: Upon passage

§ 391 — 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 act 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 act 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

§ 392 — 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 act 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 prior law required.
EFFECTIVE DATE: Upon passage

§ 393 — 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 act 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

§ 394 — 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 use

Definition

The act 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 prior cigarette tax law broadly defined a cigarette as a roll for smoking made wholly or in part of tobacco, irrespective of size or shape and whether the tobacco was flavored, adulterated, or mixed with any other ingredient. The roll had to 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 was a cigarette size of three pounds or less per thousand was also considered a cigarette and subject to the tax.

Under the act, 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 existing law, a roll that weighs over three pounds per thousand and has a wrapper made entirely or mostly of tobacco is excluded.

The act explicitly includes a roll, stick, or capsule of tobacco, regardless of its

shape or size, that is intended to be heated under ordinary use. As under existing 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 the cigarette tax, the act potentially expands the products subject to this 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

§§ 395 & 396 — 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 age 21 and allows them to use electronic scanners to check a passport's validity, just as existing law allows 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 act places restrictions on in-state shipping and transporting of e-cigarettes that are similar to those in law for cigarettes. (PA 25-166, § 45, repeals these provisions effective October 1, 2025, and § 6 of the same act instead imposes similar provisions that subject violators to civil penalties and makes violations a Connecticut Unfair Trade Practices Act violation.)

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 act 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 act 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 act eliminates similar packaging and age verification requirements that previously applied to e-cigarette dealers selling and shipping e-cigarettes to in-state consumers.

Seizure. Under the act, 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 act makes a first violation of these provisions a class B misdemeanor and subsequent violations a class A misdemeanor (see Table on Penalties). The DRS commissioner may also impose a maximum civil penalty of $10,000 for each violation, with each shipment or transport treated as a separate offense.

Age Verification Requirements

The act explicitly 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 age 21 and allows them to use electronic scanners to check a passport's validity, just as existing law allows them to for driver's licenses and ID cards. It also (1) increases the maximum fines that may be imposed on anyone who sells, gives, or delivers an e-cigarette to a minor and (2) authorizes the DCP commissioner to suspend or revoke an e-cigarette dealer's registration for violating any provision of these age verification laws. (PA 25-166, § 44, contains identical provisions.)

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 act 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 act 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 act 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 act 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 prior 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.

EFFECTIVE DATE: July 1, 2025

§ 397 — 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 act requires the OPM secretary and DRS commissioner to set up a pilot program to facilitate the collection of 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

§ 398 — 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 act 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 gives 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

§§ 399 & 400 — ANNUAL ASSESSMENTS ON THE TRIBES

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

The act 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

§ 401 — 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 act 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 prior law, withholding was required for these distributions, unless (1) any portion of it was previously taxed, (2) it was a rollover trustee-to-trustee transfer, or (3) it was 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

§§ 402 & 403 — CONCENTRATED POVERTY CENSUS TRACTS

Expands the list of 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 plan's development; eliminates a related working group

The act 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.

Existing law requires DECD's Office of Neighborhood Investment and Community Engagement to 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 act additionally requires the office to consult with DECD, the Department of Housing, and the regional workforce development board that serves the participating area.

The act 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 also had to report on this progress to the committee by June 1, 2025, and must submit the finished plan to the General Assembly by January 1, 2026.

Lastly, the act eliminates provisions establishing a seven-member working group of legislators to develop a guidance document, by April 1, 2025, setting 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

§ 404 — BOTTLE BILL OVER-REDEMPTION REIMBURSEMENT GRANTS AND ENFORCEMENT FUNDING

Establishes the bottle bill escheats enforcement and assistance account to fund (1) State Police enforcement of the ban on illegal bottle redemption and (2) reimbursement grants for financial losses from over-redemption; transfers $2 million to the account for those purposes

The act establishes the "bottle bill escheats enforcement and assistance account" as a separate, nonlapsing account, for the OPM secretary to (1) fund State Police enforcement of the ban on illegal bottle redemption (i.e. over-redemption) and (2) give reimbursement grants to certain taxpayers with financial losses from over-redemption. (Existing law prohibits knowingly tendering an empty beverage container that was originally sold out-of-state or previously returned to redeem its refund value (i.e. deposit) or get a handling fee (CGS §§ 22a-243 to 22a-246).)

Under the act, the treasurer must 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 the enforcement efforts and use the remainder ($1.75 million) for the reimbursement grants.

Taxpayers (i.e. deposit initiators, who are the first distributors to collect a deposit) are eligible to apply to OPM for reimbursement grants if they filed bottle bill returns with DRS for FY 25 and the returns show two consecutive quarters with financial losses due to beverage container over-redemption. (By law, deposit initiators must quarterly file a report with DRS on their beverage container deposits.) If the total amount of the reimbursement grants requested exceeds the account's designated funds, the act requires a proportional reduction to the awarded grants.

EFFECTIVE DATE: Upon passage

§ 405 — ATTORNEY GENERAL ENFORCEMENT OF THE BOTTLE BILL

Authorizes the attorney general to enforce certain bottle bill provisions

The act authorizes the attorney general, either independently or after receiving a complaint from either the DEEP or DRS commissioners, to investigate alleged violations of the bottle bill's provisions on:

1. redemption center registration, record retention, and reporting;
2. reverse vending machine operator record retention;
3. dealer, distributor, and redemption center acceptance of redeemable beverage containers;
4. handling fee payments;
5. violations of relevant DEEP regulations;
6. improper transfer or removal of beverage containers; and
7. illegal bottle redemption and associated required signage (PA 25-174, § 191, added several of the above requirements).

The act gives the attorney general the same authority for issuing subpoenas and written interrogatories with his investigation as already permitted under the Connecticut Antitrust Act (e.g., for material relevant to the scope of the alleged violation), but it prohibits him from using any information he obtains in a criminal proceeding.

Under the act, if the attorney general finds that there was a violation, he may bring a civil action against the violator in the Superior Court of the judicial district in which it occurred.

EFFECTIVE DATE: Upon passage

§ 406 — 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 act 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

§ 407 — TELEPHONE AND TELECOMMUNICATION SUBSCRIBER FEE

Generally requires telephone and telecommunications companies to 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 act requires each telephone and telecommunications company providing local telephone service and each provider of (1) commercial mobile radio services (generally, mobile services that are provided for profit, are interconnected services, and are available to the public) and (2) voice over Internet protocol (VOIP) services (generally, phone calls over broadband internet) to charge each subscriber a fee of five cents per month per service line unless the subscriber opts out. The act exempts prepaid wireless telecommunications services from charging the fee. 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. (By law, this account provides wage replacement benefits for eligible paid and volunteer firefighters diagnosed with cancer.)

The act requires providers to give a subscriber written notice at least 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 act also specifies that no part of the fee can be refunded.
EFFECTIVE DATE: Upon passage

§§ 408-410 — BENEFITS FOR FIREFIGHTERS WITH CANCER

Explicitly allows firefighters employed by the Connecticut Airport Authority, Tweed-New Haven Airport, or entities contracting with the 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.

This act further specifies that state-employed firefighters covered by the program include firefighters employed by (1) the Connecticut Airport Authority or Tweed-New Haven Airport and (2) any entity that contracts with the Tweed-New Haven Airport Authority. It also makes related conforming changes.

Generally, existing 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 the 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 act further specifies that the reimbursement must be to the municipal or state employer that applied for reimbursement (which conforms to current practice).

Lastly, the act 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

§§ 411-414 — 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 act increases the land record recording fee that funds the 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 act 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 DoAg, DECD, DEEP, and the Department of Housing (DOH).

In most cases, the act increases the annual amount distributed to its subrecipients by 25%, but does not change the overall distribution between the four departments (see below).

Distribution of CIA Under Prior Law and the Act

Recipient	*Prior Law Distribution*	*The Act's Distribution*
Agriculture Sustainability Account	First $10 per fee credited to the CIA	First $12 per fee credited to the CIA (now renamed)
DECD	25%	25%
Supplement technical assistance and preservation activities of the CT Trust for Historic Preservation	$380,000	$475,000
Supplement activities of the Historic Preservation	Remainder	Remainder

Recipient	*Prior Law Distribution*	*The Act's Distribution*
Council and related DECD activities (e.g., grants in aid for historic structures and placing plaques and markers)		
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 businesses in the state	$100,000	$125,000
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

As shown in the table below, the act increases the fee charged by the town clerk for recording certain land or real estate records, increases the portion the clerk may retain, and increases the amount of the fee that clerks must remit to the state treasurer for deposit in the CIA. Not shown in the table, the remaining amounts of the fee, unchanged by the act, go to the General Fund or to other municipal purposes as specified by law.

Fee Increases for Certain Filings With Town Clerk

Fee Purpose	**Fee Amount** *Prior Law/This Act*	**Remitted to CIA (Now renamed)** *Prior Law/This Act*	**Retained by Clerk** *Prior Law/This Act*
Recording most land records	$40 / $50	$36 / $45	$1 / $2
Recording most documents by mortgagee nominees, other than the documents below	$116 / $116 (plus additional surcharges)	$36 / $45	$49/ $50, distributed as follows: $10 / $11 (for deposit in town clerk fund) $39/ $39 (as general municipal revenue)
Assignments to or releases by mortgage nominees	$159 / $160	$36 / $45	$ 32 / $33 (as general municipal revenue)

§§ 415-433 — OCCUPATIONAL LICENSE OR CERTIFICATION FEES

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

The act eliminates the occupational license or certification fees listed in the following table. It generally retains any applicable license renewal fees.

Occupational License Fees Eliminated Under the Act

§	Citation	Occupational License or Certification	Prior Fee
415	20-12b	Physician assistant (PA) license	$190
415	20-12b	PA temporary permit	150
416	20-86c	Nurse-midwife license	100
417	20-93	Registered nurse (RN) license examination	180
418	20-94	RN, license by endorsement	180
418	20-94	RN temporary permit	180
419	20-94a	Advanced practice registered nurse (APRN) license	200
419	20-94a	APRN, license by endorsement	200
420	20-96	Licensed practical nurse (LPN) license examination	150
421	20-97	LPN, license by endorsement	150
421	20-97	LPN temporary permit	150
422	20-126i	Dental hygienist license	150
423	20-126k	Dental hygienist, license by endorsement	150
424	20-260ll	Paramedic license*	150
424	20-260ll	Paramedic license renewal*	155
425	20-70	Physical therapist license examination	285
425	20-70	Physical therapist assistant license examination	190
426	20-71	Physical therapist, license by endorsement	225
426	20-71	Physical therapist assistant, license by endorsement	150
427	20-74d	Occupational therapist temporary permit	50
428	20-74f	Occupational therapist license	200
429	20-195c	Marital and family therapist license	200
429	20-195c	Marital and family therapist associate license	125
429	20-195c	Marital and family therapist, license by endorsement	200
429	20-195c	Marital and family therapist associate, license by endorsement	125
430	20-195o	Clinical social worker license	200
430	20-195o	Master social worker license	125
431	20-195t	Master social worker license temporary permit	50
432	20-195cc	Professional counselor license	200
432	20-195cc	Professional counselor associate license	125

§	Citation	Occupational License or Certification	Prior Fee
433	10-145b	Initial educator certificate	200

*PA 25-174, §§ 187 & 188, replaces this provision with a new one that eliminates the paramedic license application fee but retains the renewal fee.

EFFECTIVE DATE: October 1, 2025

§ 434 — 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 act 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 the property's ownership.

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 (PA 25-174, § 204, delays the effective date to October 1, 2026, and makes it 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.

However, 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 was preempted by federal law.

§§ 435-442 & 456 — SOUTH MEADOWS SITE, MDA, AND CRDA

Makes various changes related to the South Meadows site, which contains closed resource recovery and jet turbine facilities, to, among other things, (1) transfer MDA-related property and powers to CRDA rather than DAS, (2) subject the work CRDA performs on the site (e.g., development, redevelopment, and remediation) to different regulatory processes, (3) require state

tax revenue generated within the site to be retained and reinvested by CRDA there, (4) create a property tax exemption, and (5) terminate MDA a year earlier than scheduled

PA 25-174, §§ 228-232, and this act make several changes related to two Hartford properties located at 300 Maxim Road and 100 Reserve Road that the act designates collectively as the "South Meadows site." (The site contains closed resource recovery and jet turbine facilities.)

Primarily, this act:

1. transfers the ownership, functions, powers, and duties related to the South Meadows site, along with certain associated property, from MIRA and the MIRA Dissolution Authority (MDA) to the Capital Region Development Authority (CRDA) instead of 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 CRDA to retain and reinvest in the site any state tax revenue generated by completed projects 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 of 2025, instead of 2026.

Additionally, the act creates a South Meadows development district and delineates the district's geographic boundaries (§ 442). It also specifies that none of its provisions concerning the South Meadows site and development district apply to the Hartford Brainard Airport (§ 456), but PA 25-174, §§ 229 & 230, repeals this provision and instead specifies that the district's powers and actions do not supersede federal law or any federal aviation regulation concerning control of Hartford Brainard Airport. (Neither this act nor PA 25-174 prescribe the development district's powers or actions.)

Lastly, the act makes technical and conforming changes.

EFFECTIVE DATE: June 30, 2025

South Meadows Site Property and Monetary Transfers (§§ 435-437 & 439)

The act 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 act requires $5 million of MDA's resources to be transferred and deposited into an existing nonlapsing account OPM administers. 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 activities associated with it.

The act 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. (PA 25-174 (1) specifies that these requirements must be done after the close of business for CRDA and limits the balance transfer to MDA's resources that are related to the site (§ 231) and (2) requires the transferred property

to be included in MDA's (not CRDA's) FY 25 financial reports and treated as having been transferred on July 1, 2025, with current carrying values (§ 232).) The balance transfer must 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.

This act authorizes CRDA to (1) enter into MOUs with any state agency to facilitate its functions, powers, and duties with respect to the South Meadows site and (2) hire former MDA employees to do anything CRDA must or may do for the site. (PA 25-174, § 231, changes the second provision to specifically authorize CRDA to hire former MDA managers with expertise in engineering, construction, power assets, and environmental compliance. Regardless of this authorization, existing law generally allows CRDA to hire any employees it needs or wants (CGS § 32-602(b)).)

Under the act, when MDA's ownership or oversight of a permitted facility transfers to CRDA, the permits or licenses it holds correspondingly transfer to CRDA and remain in full force and effect.

South Meadows Site Project Procedures (§§ 438(a), (b) & (c))

The act sets procedures and requirements for CRDA's work at the South Meadows site, including any development, redevelopment, or remediation (i.e. "projects"). It exempts South Meadows site projects from any ordinances, regulations, or authority of any municipality or other Connecticut political subdivision. The act also prohibits municipalities from conditioning funding under state or federal programs they administer on any requirements beyond those the act allows them to directly impose, except as otherwise required by federal law.

If a state agency is supervising any work for a South Meadows site project, the act requires it to issue licenses, permits, and approvals (collectively referred to as "agency authorizations" below for the purposes of this public act summary) and take administrative actions following the act's procedures even if doing so conflicts with other state laws. But the agency must only follow these procedures to the extent they are not inconsistent with the state's delegated authority under federal law or the state law governing liabilities and conveyances related to MDA (see § 439 below).

Similarly, any agreement or memorandum of understanding (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 done according to the act's provisions, but only to the extent they are not inconsistent with the state's delegated authority under federal law or any contract by which the agency or political subdivision is bound.

South Meadows Site Project Agency Authorizations and Administrative Actions (§§ 438(a), (c) & (d))

Under the act, 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 complies with state building codes or fire laws and regulations, as applicable.

The act otherwise gives commissioners sole jurisdiction over any agency authorizations and administrative actions concerning South Meadows site projects. Under the act, a "commissioner" is the commissioner or commissioners, or their designees, who have subject matter jurisdiction. Upon application to the commissioners, the act requires that they issue each agency authorization or take each administrative action required or allowed under state statutes.

Applications to Commissioners and Commissioners' Records (§ 438(c) & (d))

Each commissioner with jurisdiction over any agency authorization or administrative action for a South Meadows site project must adopt a master process to consider multiple agency authorizations and administrative actions, to the extent practicable. The act specifies, though, that it does not require that applications for agency authorizations or administrative actions for all aspects of a project be submitted or acted on at the same time if not otherwise required by law.

Generally, the act requires all agency authorizations and administrative actions under the act to be issued or taken within 10 business days after applications for them are submitted to the appropriate commissioner. (The act sets a different process for DEEP-related agency authorizations and administrative actions, described below.) If the commissioner does not issue an agency authorization or take an administrative action by the close of business on the 10th business day, the act deems it approved unless the application has been denied, been conditionally issued, or had a hearing before that time.

Under the act, all records (including applications and supporting documents) submitted to a commissioner for an agency authorization or administrative action, together with all related proceeding records, must be publicly available as the Freedom of Information Act requires.

Commissioner Hearings and Decisions (§§ 438(c), (e) & (f))

The act requires that hearings on a project be conducted by the commissioner who has jurisdiction over an applicable agency authorization 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.

When deciding on a project under the act, 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 act, notice about any tentative or final determination on a project agency authorization or administrative action is not required unless the act expressly requires it.

Environmental Impact Evaluations of South Meadows Site Projects (§ 438(h))

The act 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.

The act specifies that 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 agency authorizations not yet obtained.

Under the act, CRDA must hold a public hearing on the evaluation. Between five and 10 days before the hearing, CRDA must publish notice about it, and that the evaluation is available, in a newspaper with general circulation in Hartford. The act 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 forwarded to the DEEP commissioner and the OPM secretary promptly and made publicly available.

The act 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.

Processes for DEEP Agency Authorizations and Administrative Actions (§ 438(i))

When DEEP exercises jurisdiction over any agency authorizations for a South Meadows site project, the act 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 agency authorization. The act specifies that the deadlines that apply to other commissioners' agency authorizations and administrative actions, described above, do not apply to DEEP's agency authorizations and actions.

The act requires the DEEP commissioner to adopt a master administrative process with a single public hearing on all pending applications that require one. Under the act, 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 considering issues or factors not included in the related environmental evaluation.

Additionally, the commissioner and CRDA must enter into an MOU on the

master administrative process with the goal of expediting the agency authorization or administrative action process as soon as is reasonably practicable. The MOU must identify the proposed use after the project's development, redevelopment, or remediation and the agency authorization 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.

Appeals of Commissioners' Administrative Actions (§ 438(g))

Under the act, any party aggrieved by a commissioner's administrative action for a South Meadows site project may appeal to the Hartford Superior Court according to the UAPA's process. Regardless of any state statute, the act 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 these 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 act, appeals to the Superior Court must be treated as privileged matters and heard as soon after the return date as practicable. A court must issue its decision within 21 days after the commissioner files the record.

The act 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 appealing party 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 act, if the court finds material prejudice, it can sustain the appeal and issue 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 Corporation Cooperation (§ 438(j))

The act requires certain municipal corporations, including the Metropolitan District of Hartford County, to cooperate with CRDA in carrying out the act's provisions, including by expediting agency authorizations 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.

Tax Treatment (§ 435)

The act 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.

The act also exempts the site and any personal property located on it from property taxes until a development or redevelopment project has begun. (PA 25-174, § 228, includes the site as a basis for state payment in lieu of tax (PILOT) payments to Hartford until the site is redeveloped.)

Liabilities and Effect of Conveyances (§§ 438(k) & 439)

The act 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. For title defects, this includes any claim, demand, order, penalty, lien, assessment, suit, or judgment related to them. For environmental conditions, this includes any pollution, contamination, hazardous waste, hazardous substances, hazardous building materials (e.g., asbestos, asbestos-containing materials, lead, lead-containing materials, polychlorinated biphenyls (PCB), polyfluoroalkyl substances (PFAS), mold, fluorescent and high-intensity discharge (HID) lamps, mercury, PCB ballasts, lead-acid battery electrolytes, fluorocarbons, equipment coolant, hydraulic fluids, radioactive materials, explosives, military ordinance, and gasoline and petroleum products), and any other environmental condition existing at, originating, or emanating from or relating to, the real property, facilities, and other improvements at the South Meadows site. (Under the act, applicable public health and environmental federal, state, and local laws define several of these terms.) The act specifically prohibits Connecticut from holding harmless or indemnifying CRDA for title defects or environmental issues that were not pre-existing.

The act requires CRDA to use the MDA funds transferred in a separate bank account under the act before seeking indemnification (see *South Meadows Site*

Property and Monetary Transfers above). It authorizes CRDA and its employees and directors to bring a Superior Court action against Connecticut to enforce the above provisions.

Additionally, the act 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 act, any conveyance of real property or business operations from MDA to CRDA under the act's provisions is not considered a transfer of an establishment under the state's Transfer Act (i.e. the property remediation law for locations involving hazardous waste or certain business operations).

MDA Termination (§§ 439-441)

The act terminates MDA a year earlier than scheduled under prior 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 existing law, DAS is scheduled to become the successor agency to MDA. The act carries this provision forward but limits it by excluding the ownership, functions, powers, and duties of MDA that the act assigns or transfers to CRDA.

§ 443 — 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 act 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.

Under the act, 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) anyone the committee chairs find relevant and 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

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

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

The act modifies the 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.

§ 445 — MUNICIPAL VIDEO COMPETITION TRUST ACCOUNT

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

The act repeals the Municipal Video Competition Trust Account law. In doing so, the act 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).

Under prior law, this nonlapsing General Fund account was 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, which the act repeals, required $5 million to be annually transferred from the municipal video competition trust account to the General Fund.

EFFECTIVE DATE: July 1, 2025

§§ 446-448 — MUNICIPAL TAX LIEN ASSIGNMENT

Prohibits assignees of municipal tax liens for unpaid taxes from charging post-charge-off charges or fees for collection costs; treats these assignees as consumer collection agencies and explicitly subjects them to banking department requirements for these agencies; no longer prohibits these agencies from receiving assignments as a third party of claims for certain purposes

By law, an assignee of a municipal tax lien for unpaid taxes generally has the same powers and rights as the municipality in terms of the lien's priority, interest accrual, and the fees and expenses of collection and to prepare and record the assignment.

The act, however, prohibits the assignee from charging the subject property owner any post-charge-off (after being written off by the municipality) charge or fee for collection cost, excluding a court cost. And it requires the assignee to be treated as a consumer collection agency, meaning that it is explicitly subject to

banking department requirements for these agencies (e.g., licensure) and prohibited from taking certain actions. By law, those actions include adding a post-charge-off charge or fee for collection cost (but not court cost) to the amount of any claim it receives for collection or knowingly accepting for collection a claim with this charge or fee unless the debtor is legally liable for it under a contract or other written agreement and the amount does not exceed 15% of the total actually collected and accepted as full payment. The act specifies that this charge or fee provision does not limit the recovery of the costs or attorney's fees for a foreclosure action.

It correspondingly specifies that post-charge-off charges or fees for collection costs not be included in the written notices that an assignee must give to the:

1. mortgage owner or holder of the involved property to inform them about the assignment, which includes information about the unpaid taxes, interests, and fees; and
2. first and second security interest holders of the involved property to inform them about a foreclosure action, which includes information about the assignee's attorney's fees and costs to enforce the lien.

Lastly, the act (1) no longer prohibits consumer collection agencies from receiving assignments as a third party of claims for purposes of collection or filing a lawsuit and (2) makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

§§ 449-454 — ABLE ACCOUNTS

Modifies Connecticut's ABLE program by (1) aligning eligibility requirements with federal law, (2) allowing the state treasurer to pay certain associated fees, (3) generally disregarding ABLE accounts as income for all means-tested public assistance programs instead of programs specified by law, and (4) making changes to conform with federal law

The act makes various changes to Connecticut's ABLE program (see *Background — ABLE Program*).

Specifically, the act updates references to federal ABLE statutes and regulations in Connecticut's statutes to ensure (1) Connecticut's definitions related to program participants and eligibility align with federal criteria, including expanded federal eligibility in 2026, and (2) any future federal changes are automatically incorporated into state statute.

The act also:

1. updates terminology on who is eligible to open an ABLE account to align with federal law;
2. allows the state treasurer, who administers the ABLE program, to pay fees associated with administering individual ABLE accounts;
3. disregards, to the extent federal law allows, ABLE accounts when determining eligibility for all means-tested public assistance programs administered by the state or its political subdivisions, rather than only specific programs listed in prior law; and
4. makes minor, technical, and conforming changes.

EFFECTIVE DATE: Upon passage

Expanded Eligibility

Under federal law and prior state law, a person who receives Social Security disability benefits and has certified his or her disability in the given tax year is eligible for the ABLE program so long as the person's disability occurred before age 26. Effective January 1, 2026, federal law is scheduled to expand ABLE program eligibility to people whose disability occurred before age 46. The act aligns Connecticut's statutory definition of "eligible individual" with the federal definition, effectively expanding eligibility for the state's program starting in 2026 and automatically incorporating any future eligibility changes enacted under federal law into the state's program.

Authorized Individuals

The act replaces references to "depositors" with references to "authorized individuals," to conform with federal law. Under prior state law, a depositor was someone making a deposit into an ABLE account under a participation agreement (i.e. the agreement between the trust and depositor to benefit a designated beneficiary). The act instead references "authorized individuals," which are the people or entities authorized under (1) federal regulations to establish an ABLE account on an eligible individual's behalf and (2) the state's qualified ABLE program to establish an ABLE account or act on its designated beneficiary's behalf.

Under federal regulations and existing state law, an ABLE account may be established by the eligible individual or a person he or she chooses. If the eligible individual is unable to establish his or her own account, their agent under a power of attorney, or their conservator or legal guardian, spouse, parent, sibling, grandparent, or representative payee appointed for them by the Social Security Administration, in that order, can establish the account (26 C.F.R. § 1.529A-2(c)). The act preserves this same order, by replacing this specific list in state law with a reference to the federal regulation in the "authorized individual" definition.

Income Disregards

To the extent allowed by federal law, the act requires any funds invested in, contributed to, or distributed from an ABLE account to be disregarded when determining an individual's eligibility for assistance under any means-tested public assistance program administered by the state or its political subdivisions. Under prior law, these funds were disregarded only for the following assistance or benefit programs:

1. the Temporary Family Assistance program;
2. programs funded under the federal Low Income Home Energy Assistance Program;
3. the state-administered general assistance program (SAGA);
4. the optional State Supplement Program, to the extent the federal Supplemental Security Income program allows; and
5. any other federally funded assistance or benefit program, including the

state's medical assistance programs (i.e. HUSKY and Medicaid).

Background — ABLE Program

The federal ABLE Act allows states to establish their own ABLE programs to (1) encourage individuals and families to save money to support individuals with disabilities to maintain health, independence, and quality of life and (2) provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not replace, benefits provided through private insurance, Medicaid, and other sources. Eligible people living with a disability or blindness, or their families, may establish and contribute to accounts. Funds in the accounts may be spent on qualified disability expenses, including education, housing, and transportation.

Background — Related Act

PA 25-148, §§ 2-7, has identical provisions on ABLE accounts.

§ 455 — FARM MACHINERY PROPERTY TAX EXEMPTION

Increases, from $100,000 to $250,000 in assessed value, the mandatory property tax exemption for farm machinery, other than motor vehicles

The act increases, from $100,000 to $250,000 in assessed value, the mandatory property tax exemption for farm machinery, other than motor vehicles. (PA 25-152, § 6, contains the same provision.) As under existing law, municipalities may exempt up to an additional $250,000 in assessed value for farm machinery by local option.

By law, to qualify for the farm machinery exemptions, farmers must individually or as a part of a group, partnership, or corporation derive at least $15,000 per year in gross sales from the farming operation or have incurred at least $15,000 in farm-related expenses in the most recent tax year before the assessment year to which the exemption applies.

EFFECTIVE DATE: October 1, 2025, and applicable to assessment years beginning on or after that date.

§§ 457 & 458 — PHYSICIAN ASSISTANT LICENSURE COMPACT

Enters Connecticut into the Physician Assistant Licensure Compact, which creates a process authorizing PAs who are licensed in one participating state to practice across state boundaries without requiring licensure in each state; correspondingly requires all PA licensure applicants to get a fingerprint-based background check

The act enters Connecticut into the Physician Assistant (PA) Licensure Compact. The compact creates a process authorizing PAs who are licensed in one participating state to practice across state boundaries (including by telehealth if allowed by the state where the patient is located) without requiring licensure in each

state. Participating states must grant the "compact privilege" (the authority to practice in the state) to PAs who meet the compact's eligibility requirements. The compact is administered by the PA Licensure Compact Commission, which Connecticut joins under the act.

Among various other provisions, the compact:

1. sets eligibility criteria for states to enter the compact and for PAs to practice under it;
2. addresses several matters related to disciplinary actions for PAs practicing under the compact, such as information sharing among states and automatic deactivation of a PA's compact privilege in some circumstances;
3. allows the commission to levy an annual assessment on participating states and fees on participating PAs to cover the cost of its operations; and
4. provides that amendments to the compact only take effect if all participating states adopt them into law.

In practice, the compact is still in the process of being implemented. The commission first met in September 2024, and compact privileges to practice are projected to be available in early 2026. A broad overview of the compact appears below.

Additionally, under the act, the public health commissioner must require anyone applying for PA licensure to submit to a state and national fingerprint-based criminal history records check (§ 458). This corresponds to a compact requirement (see *State Participation in the Compact*, below).

EFFECTIVE DATE: July 1, 2025

Compact Overview

The PA Licensure Compact provides a process authorizing PAs to work in multiple states if they are licensed in one participating state. (The compact applies regardless of whether states use the term "physician assistant" or another title for this profession.)

Under the compact, a "state" is a U.S. state, commonwealth, district, or territory. A "participating state" is a state that has enacted the compact. A "remote state" is a participating state where a licensee who is not licensed as a PA is exercising, or seeking to exercise, the compact privilege.

The "compact privilege" is the authorization granted by a remote state allowing a licensee from another participating state to practice as a PA in a remote state, by providing services to a patient in a remote state under that state's laws and regulations.

State Participation in the Compact (§ 457(3))

To participate in the compact, a state must do the following:

1. license PAs;
2. participate in the compact commission's data system (see below);
3. have a mechanism to receive and investigate complaints against PA licensees and license applicants;

4. notify the commission, in compliance with the compact's terms and commission rules, about any adverse action (e.g., license denial or suspension) and the existence of significant investigative information regarding a licensee or license applicant (generally, information that a licensing board, after following certain procedures, believes is not groundless and if proven true, would indicate more than a minor infraction);
5. fully implement a criminal background check requirement (using fingerprints or other biometric-based information), within a time frame set by rule, by receiving criminal background check results and reporting to the commission whether the applicant has been granted a license;
6. comply with the commission's rules;
7. require passage of a recognized national examination for PA licensure (such as the PA National Certifying Examination administered by the National Commission on Certification of PAs (NCCPA)); and
8. grant the compact privilege to a holder of a qualifying license (i.e. an unrestricted PA license) in a participating state.

Participating states may charge a fee for granting the compact privilege.

Compact Privilege (§ 457(4))

To exercise the compact privilege, a licensee must meet the following requirements:

1. have graduated from a PA program accredited by the Accreditation Review Commission on Education for the Physician Assistant, Inc., or any other program authorized by commission rule;
2. hold current NCCPA certification;
3. have no felony or misdemeanor convictions;
4. have never had a controlled substance license, permit, or registration suspended or revoked by a state or the U.S. Drug Enforcement Administration;
5. have a unique identifier as determined by commission rule;
6. hold a qualifying license;
7. notify the commission that the licensee is seeking the compact privilege in a remote state;
8. meet the remote state's jurisprudence requirements (that is, assessment of knowledge of PA practice laws and rules for that state), if any, and pay any applicable fees; and
9. report to the commission within 30 days after being subject to adverse action by any nonparticipating state.

In addition, a licensee cannot have had a license revocation due to an adverse action. If a licensee has had a limitation or restriction on a license or compact privilege due to an adverse action, two years must have passed since the limitation or restriction ended. However, a participating state has the discretion to not consider something as an adverse action on a compact privilege if it was based on conduct that would not be the basis for disciplinary action in that state.

The compact privilege is valid until the license expires or is revoked, unless it

ends earlier due to an adverse action. Licensees must comply with the above requirements to maintain the privilege in a remote state.

If a participating state takes adverse action against a license, the licensee loses the compact privilege in any remote state until two years after the license is no longer limited or restricted. To regain the privilege after that two-year period, the licensee must also meet the above eligibility requirements.

PAs who are seeking authority to prescribe controlled substances in remote states must meet the applicable requirements in each state in which they seek to do so.

Designation of the State From Which Licensee is Applying (§ 457(5))

The compact requires PAs applying for a compact privilege to identify to the commission the state from where they are applying, under rules set by the commission. In addition, when applying for the privilege, PAs must:

1. give the commission the address of their primary residence (and report any change immediately) and
2. consent to accept service of process by mail at that address for any action (such as a subpoena) that the commission or a participating state brings against the licensee.

Adverse Actions (§ 457(6))

The compact addresses several matters related to states' authority to investigate and discipline PAs practicing under its procedures. The following are examples of the regulatory structure under the compact:

1. a participating state in which a PA is licensed has exclusive authority to take adverse action against that license, and if it takes such an action, the PA's compact privilege in all remote states is deactivated until two years after the restrictions are removed from the license;
2. a remote state may take adverse action against a PA's compact privilege in that state to remove the privilege or take other necessary action to protect the health and safety of its citizens, and may issue subpoenas under certain conditions;
3. the compact does not authorize participating states to impose discipline against a PA's compact privilege, or deny an application for the privilege, for the PA's otherwise lawful practice in another state;
4. for taking adverse action, a PA's state of licensure must give the same priority and effect to reported conduct from other participating states as it would to conduct within the state, and must apply its own state law to determine appropriate action;
5. if allowed by that state's law, a participating state may recover from the affected PA the investigation and disposition costs for cases resulting from adverse actions;
6. participating states may take adverse actions based on a remote state's factual findings, and must follow its own procedures in doing so; and

7. if any participating state takes adverse action, it must promptly notify the data system's administrator (see below).

PA Licensure Compact Commission (§ 457(7), (9) & (10))

The compact is administered by the PA Licensure Compact Commission, which consists of one voting delegate per participating state (selected by each state's licensing board). The compact sets several powers, duties, and procedures for the commission. For example, the commission must:

1. promulgate rules to facilitate and coordinate the compact's implementation and administration (a rule has no further effect if a majority of the participating states' legislatures reject it within four years of its adoption),
2. enforce the compact's provisions and the commission's rules, and
3. prepare an annual report (including on its required yearly financial review) to be provided to participating states.

The commission can levy an annual assessment on participating states and impose fees on participating PAs to cover the costs of its operations.

The compact addresses several other matters regarding the commission and its operations, such as setting conditions under which its members, officers, and employees are immune from civil liability.

Data System (§ 457(8))

Under the compact, participating states must submit specified information on PAs and denied applicants for inclusion in a database the commission creates. The compact addresses several matters related to this data system, such as establishing the following:

1. significant investigative information about a licensee in any participating state is only available to other participating states;
2. the commission must promptly notify all participating states about adverse actions reported to it against licensees or applicants, and this information is available to any other participating state; and
3. participating states that contribute information to the data system may designate information that may not be shared publicly without the state's express permission.

Compact Oversight, Dispute Resolution, Participating State Withdrawal, and Related Matters (§ 457(10)-(13))

Among several other related provisions, the compact provides the following:

1. each participating state's executive and judicial branches must enforce the compact and take all necessary and appropriate steps to implement it;
2. the commission must take specified steps if a participating state is in default and, after all other means of securing compliance have been exhausted, a defaulting state is terminated from the compact upon a majority vote of the delegates (the commission may also bring a legal action against a defaulting

state in these circumstances);
3. upon a participating state's request, the commission must attempt to resolve a compact-related dispute among participating states and between participating and nonparticipating states;
4. a participating state may withdraw from the compact by repealing that state's compact legislation, but withdrawal does not take effect until 180 days after the repealing statute's enactment;
5. the participating states may amend the compact, but no amendment takes effect until it is enacted materially in the same way into the laws of all participating states;
6. the compact's provisions are severable and its provisions must be liberally construed to carry out its purposes; and
7. all participating state laws in conflict with the compact are superseded to the extent of the conflict.

§ 459 — ONLINE RENTAL PAYMENT SYSTEMS

Amends a provision on rental payments made through online payment systems in PA 25-49, which was vetoed, and so has no legal effect

The act modifies a provision of PA 25-49 that would have extended the grace period for a tenant to pay his or her rent when the landlord's online rental payment system prevents the tenant from timely making payment. PA 25-49 was vetoed, and, as a result, this section has no legal effect. This act would have specified that the extension only applied for the purposes of the applicable week or month that was the subject of the nonpayment.
EFFECTIVE DATE: July 1, 2025

§§ 460-471 — REVENUE ESTIMATES

Adopts revenue estimates for FYs 26 and 27 for appropriated state funds

The act adopts revenue estimates for FYs 26 and 27 for appropriated state funds, as shown in the table below.

Revenue Estimates for FYs 26 and 27

Fund	*FY 26*	*FY 27*
General Fund	$24,345,446,200	$25,913,700,000
Special Transportation Fund	2,309,050,000	2,436,650,000
Mashantucket Pequot and Mohegan Fund	52,600,000	52,600,000
Banking Fund	36,400,000	36,600,000
Insurance Fund	126,400,000	128,900,000
Consumer Counsel and Public Utility Control Fund	37,800,000	38,500,000
Workers' Compensation Fund	27,300,000	27,500,000
Criminal Injuries Compensation Fund	3,000,000	3,000,000

Fund	*FY 26*	*FY 27*
Tourism Fund	18,000,000	19,000,000
Cannabis Prevention and Recovery Services Fund	5,900,000	6,200,000
Cannabis Regulatory Fund	10,300,000	10,500,000
Municipal Revenue Sharing Fund	560,250,000	560,550,000

EFFECTIVE DATE: July 1, 2025

§§ 472 & 473 — MUNICIPAL GRANTS

Requires OPM to grant additional municipal aid to New Haven, Ledyard, and Montville out of Other Expenses; increases the supplemental revenue sharing grant amounts for 11 municipalities

The act requires the OPM secretary to grant additional municipal aid from unspecified Other Expenses to certain municipalities. Specifically, it directs $500,000 to New Haven for FY 26 and the same amount to Ledyard and Montville for both FY 26 and FY 27. (PA 25-174, § 203, modifies the amounts to the latter two towns so that they instead each receive $800,000 and only in FY 27.)

Additionally, the act increases the supplemental revenue sharing grant amounts for 11 municipalities for FY 26 and FY 27, as shown in the table below. (PA 25-174, § 180, makes a technical change to correct a statutory reference to these grants.) The act's amounts for these municipalities apply regardless of those scheduled previously under existing law (see CGS § 4-66p, as amended by PA 25-174, § 190).

Supplemental Revenue Sharing Grant Amounts for Specified Municipalities

Municipality	*Previously Scheduled Amounts for FY 26 & FY 27*	*Amounts Under the Act*	
		FY 26	*FY 27*
Branford	$0	$100,000	$100,000
Bridgeport	6,059,559	11,059,559	11,059,559
Danbury	1,218,855	2,218,855	2,218,855
Enfield	0	100,000	0
Naugatuck	283,399	583,399	683,399
New Haven	16,921,822	19,421,822	19,421,822
New London	1,112,913	2,112,913	2,112,913
Stamford	1,846,049	2,246,049	2,246,049
Stratford	0	400,000	400,000
Voluntown	0	60,000	60,000
West Hartford	0	400,000	400,000

By law, these grants are paid from the Municipal Revenue Sharing Fund, which is generally funded through revenues from the sales and use tax (CGS §§ 4-66p, 12-408 & 12-411).

EFFECTIVE DATE: July 1, 2025