

PA 11-030

SB1155

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**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**FINANCE  
REVENUE  
AND BONDING  
PART 4  
884 – 1200**

**2011**

CHAIRMAN: Senator Daily  
Representative Widlitz

MEMBERS PRESENT:

SENATORS: Roraback, Boucher, Fonfara,  
Frantz, Guglielmo, LeBeau,  
Leone, Meyer, Stillman

REPRESENTATIVES:

Williams, Ackert, Albis,  
Altobello, Aman,  
Aresimowicz, Ayala, Berger,  
Boukus, Butler, Chapin, Davis,  
Gibbons, Hennessy, Johnson,  
Lemar, Luxenberg, Megna,  
Molgano, Morin, O'Brien, Perone,  
Piscopo, Rojas, Sanchez,  
Scribner, Shaban, Smith,  
Srinivasan, Stallworth, Villano,  
Williams, Wright C., Wright E.,  
Zalaski

REP. WIDLITZ: The first person on our agenda this morning is our Commissioner, Kevin Sullivan. Welcome, Commissioner. It's very nice to have you with us this morning.

COMMISSIONER KEVIN SULLIVAN: Good morning. A bit of color, by the way, Madam Chair, in a drab room, so it's -- it's a nice touch and -- and a hopeful sign that spring might be somewhere yet this year.

Representative Widlitz and Representative -- Senator -- Senator Roraback, Representative Williams, Senator Daily, who will be here I'm sure, members of the Committee, thank you very much for this opportunity to testify first on the agency bills this year, which I sincerely appreciate you raising for consideration. I

SB1214

SB1215

SB1217

SB1218

SB1155

SB1213

HB6623

HB6624

HB6626

HB6628

March 28, 2011

ch/gbr FINANCE, REVENUE AND BONDING  
COMMITTEE

10:30 A.M.

This bill, however, is a start, and a very small one, and it follows the experience of New York, Massachusetts and a number of other states, and will at least allow us to do so with respect to licenses granted to do business primarily granted by the State of Connecticut.

Section 2 of 1218, was developed with the Attorney General and is similar to another bill, Senate Bill 1155. This bill is necessary for us in order to protect Connecticut's position in the cigarette manufacturer limited -- initiated arbitration, which is ongoing now, under the state's master settlement agreement.

You will recall that the states and this state entered into a master settlement agreement with respect to the distribution of funds having to do with smoking cessation and smoking prevention. That -- aspects of that have now been challenged by the cigarette manufacturers. This will allow the Attorney General to get the information and use the information necessary to defend the state's position in that litigation.

Section 3 is needed in order to continue refund offsets, and, again, in this case, this bill protects about \$3 million in annual revenue to the State of Connecticut.

Sections 9 and 10 were developed following a very interesting and constituent concern raised by one of your colleagues, Representative Hoydick. You know that the installation of equipment on vehicles to make them drivable by persons with disabilities comes with a tax break. What was brought to our attention is that when a vehicle comes

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HOUSE**

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SPEAKER DONOVAN:

Welcome to our Chamber.

Thank you, Representative.

Will the Clerk please call Calendar 504?

THE CLERK:

On page 30, Calendar 504, Senate Bill Number 1155, AN ACT CONCERNING THE DISCLOSURE OF INFORMATION IN A TOBACCO ARBITRATION PROCEEDING. Favorable report of the Committee on Finance, Revenue and Bonding.

SPEAKER DONOVAN:

Representative Pat Widlitz.

REP. WIDLITZ (98th):

Thank you, again, Mr. Speaker. Mr. Speaker, I move acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate.

SPEAKER DONOVAN:

The question is acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate. Will you remark?

REP. WIDLITZ (98th):

Yes, thank you, Mr. Speaker. This bill allows the Revenue Services Commissioner to disclose certain tax information to the Attorney General if it is

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relevant to an arbitration or other dispute resolution proceeding under the Tobacco Master Settlement Agreement or any amendment to it. And also if the State is a party to the proceeding. I -- I move adoption, Mr. Speaker.

SPEAKER DONOVAN:

Will you remark further? Will you remark further on the bill? Representative Williams.

REP. WILLIAMS (68th):

I thank you, Mr. Speaker, and good morning again. If I may, a few questions through you to Representative Widlitz, please.

SPEAKER DONOVAN:

Please proceed, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. Through you to Representative Widlitz, what types of information would the Commissioner of Revenue Services be authorized to disclose to the Attorney General's office under this bill? Through you.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker, this bill is in

reaction to a lawsuit that it is -- that Connecticut, as part of a group of 46 states, have been brought into. Let's see, we are engaged in a court-ordered arbitration to determine whether the State has made diligent efforts to enforce certain provisions of the 1998 Master Settlement Agreement.

In order for our Attorney General to defend the State of Connecticut he needs access to information from the tobacco manufacturers' tax returns basically, and what they have sold in the state. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and through you, would this potentially violate any privacy issues that a vendor here in Connecticut may currently feel are -- are appropriate for them under our existing laws? In other words, there's some information that we're now disclosing to the Attorney General's office. Will there any be -- be any privacy issues with respect to that? Through you.

SPEAKER DONOVAN:

Representative Widlitz.

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REP. WIDLITZ (98th):

Through you, Mr. Speaker, in order to defend our -- the State of Connecticut's stance that we have been appropriately enforcing the conditions of the agreement, we would have to reveal -- the Attorney General needs access to the tax documents that are -- have been submitted by tobacco companies showing their sales and the taxes that they have paid. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker. I would urge passage of the bill.

SPEAKER DONOVAN:

Thank you, Representative.

Representative Sawyer.

REP. SAWYER (55th):

Mr. Speaker, a question through you to the proponent of the bill.

SPEAKER DONOVAN:

Please proceed, madam.

REP. SAWYER (55th):

Madam Chairman, is there any other instance in

which the commissioner is allowed to give out tax information to the Attorney General's office? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker, existing law already allows the commissioner to disclose to the Attorney General upon request any information the commissioner receives. But this allows the -- the information to be shared within the parameters of the court case as well.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

And is -- are these documents considered corporate tax filings? Or is it individual tax filings? Is --

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Okay, through you, Mr. Speaker, the returns would be revealed if they are relevant to an arbitration or other dispute resolution proceeding under the Tobacco

Master Settlement. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

I'll ask the question perhaps a little differently. Is the commissioner allowed to give out someone's personal tax information as it relates to this court case, or is it just corporate tax information? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Widlitz.

REP. WIDLITZ (98th):

Through you, Mr. Speaker, by law, a return is any of the following filed with the DRS Commissioner. It would be tax or tax information return, an estimated tax declaration, a refund claim, or any license permit registration or other application. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

I will thank the gentlelady for her answer and discuss it further with her off the floor. Thank you very much, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative.

Would you care to remark further on the bill?

Care to remark further on the bill? If not, staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting by roll call. Members to the Chamber, please.

SPEAKER DONOVAN:

Have all the members voted? Have all the members voted? Please check the roll call board to make sure your votes were properly cast. If all -- all the members have voted, the machine will be locked and the Clerk will please take a tally.

Clerk, please announce the tally.

THE CLERK:

Senate Bill 1155, in concurrence with the Senate.

Total Number voting 134

Necessary for passage 68

Those voting Yea 134

Those voting Nay 0

Those absent and not voting 17

SPEAKER DONOVAN:

Bill passes.

Representative Olson, for what reason do you stand?

REP. OLSON (46th):

Thank you, Mr. Speaker. Apparently I did not vote on the last bill and I'd like to be cast in the affirmative and recorded in the affirmative. Thank you.

SPEAKER DONOVAN:

The transcripts will so note.

REP. OLSON (46th):

Thank you.

SPEAKER DONOVAN:

Thank you, Representative.

Are there any announcements or introductions?

Representative Rowe.

REP. ROWE (123rd):

Thank you, Mr. Speaker. Good afternoon.

SPEAKER DONOVAN:

Good afternoon, sir.

REP. ROWE (123rd):

I am delighted -- for the point of -- an introduction, please.

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Thank you, Madam President.

Also on Calendar page 17, Calendar 326, House Bill 6297; Madam President, move to place that item on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, moving now to Calendar page 20, Calendar 360, Senate Bill 1155. Madam President, move to place that item on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, moving now to Calendar page 36. Calendar page 36, Calendar Number 60, Senate Bill 888; Madam President, move to place that item on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Madam President.

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Madam President, if the Clerk would now call those items placed on the Consent Calendar.

THE CHAIR:

Yeah, it's (inaudible).

THE CLERK:

Madam President.

THE CHAIR:

Please proceed, sir.

THE CLERK:

I'm going to try to call it off the screen; I've never done this.

THE CHAIR:

Okay.

THE CLERK:

Calling --

THE CHAIR:

Just take your time.

THE CLERK:

-- off the screen, Calendar page 1, Calendar Number 394, Senate Joint Resolution 42; Calendar page 1, Calendar Number 427, House Joint Resolution Number 111; Calendar page 2, Calendar Number 428, House Joint Resolution Number 112; Calendar page 2, Calendar Number 436, Senate Joint Resolution 43;

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Calendar page 2, Calendar Number 437, Senate Joint Resolution 44; Calendar page 2, Calendar Number 438, Senate Joint Resolution 45; Calendar page 2, Calendar 468, Senate Resolution Number 26; Calendar page 3, Calendar Number 469, Senate Joint Resolution 46; Calendar page 3, Calendar Number 484, House Joint Resolution 113; Calendar page 3, Calendar Number 485, House Joint Resolution 114; Calendar page 3, Calendar Number 486, House Joint Resolution 115; Calendar page 3, Calendar Number 487, House Joint Resolution 116; Calendar page 4, Calendar Number 488, House Joint Resolution 117; Calendar -- returning to Calendar -- Calendar page 4, Calendar Number 488, House Joint Resolution 117; Calendar page 9, Calendar 177, substitute for Senate Bill Number 1110; Calendar page 10, Calendar Number 192, substitute for Senate Bill Number 983; Calendar page 16, Calendar Number 305, Senate Bill Number 897; Calendar page 17, Calendar Number 319, substitute for Senate Bill Number 944; Calendar page 17, Calendar Number 326, substitute for House Bill Number 6297; Calendar page 18, Calendar Number 331, substitute for House Bill Number 6358; Calendar page 20, Calendar

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Number 360, Senate Bill Number 1155; Calendar page 35,  
Calendar Number 42, substitute for Senate Bill  
Number 866; Calendar page 36, Calendar Number 60,  
Senate Bill Number 888; Calendar Bill Number 105, on  
page 38, substitute for House Bill Number 5266;  
Calendar page 39 --

THE CHAIR:

So that --

THE CLERK:

-- Calendar Number 1112 --

THE CHAIR:

Mr. Clerk, can you wait for one moment, please.

Senator Looney.

SENATOR LOONEY:

Madam President, there is one item that the Clerk  
read that I believe should not be on the Consent  
Calendar -- I don't believe I placed it there -- and  
that was Calendar page 35, Calendar 42, Senate  
Bill 866. That item needs to be amended before it  
will be taken up.

THE CHAIR:

Sir, okay. We will take that. Will you remove  
that from the Consent Calendar, please?

SENATOR LOONEY:

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The next item after that, Madam President, to be on the Consent Calendar is Calendar page 36, Calendar -- Calendar 60, if the Clerk might pick up on that one.

THE CLERK:

Okay. Calendar page 36, Calendar Number 60, Senate Bill Number 888; Calendar page 38 --

SENATOR LOONEY:

Okay.

THE CLERK:

-- Calendar Number 105, substitute for House Bill Number 5266; Calendar page 39, Calendar Number 112, substitute for Senate Bill Number 458; Calendar Number 39 -- I mean page 39, Calendar Number 123, Senate Bill Number 1041; Calendar page 40, Calendar Number 132, Senate Bill Number 868; on page 40, Calendar 141, Senate Bill Number 985; on page 43, Calendar Number 199, substitute for Senate Bill Number 1068.

I don't know if there's any other pages here.

THE CHAIR:

Page 18?

A VOICE:

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THE CLERK:

Madam President.

THE CHAIR:

Yes.

SENATOR LOONEY:

Yes. That --

THE CLERK:

I yield to the Majority Leader.

SENATOR LOONEY:

Yes. That --

THE CHAIR:

Mr. Majority Leader.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I apologize. That item that we had removed from the Consent Calendar actually should be put back on. That was Calendar page 35, Calendar 42, Senate Bill 866. The amendment that was adopted on that bill is the -- was the only amendment that was -- that was needed, so there is not a need -- not a need for an additional amendment.

THE CHAIR:

Thank you.

SENATOR LOONEY:

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Thank you, Madam President.

THE CHAIR:

Thank you, Senator.

Mr. Clerk, if you want to --

THE CLERK:

Madam President, someone pointed out to me that on Calendar page 18, Calendar Number 331, substitute for House Bill Number 6358, that I missed it, but that's supposed to be on the Consent Calendar.

THE CHAIR:

That's correct, sir.

Any corrections?

Okay. At this time, I would ask that the Clerk please open up the -- the machine and may announce a roll call vote, and the machines will be open.

THE CLERK:

An immediate roll call vote on the First Consent Calendar has been ordered in the Senate. Will all Senators please return to the Chamber. An immediate roll call vote on the First Consent Calendar has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

You don't have the Consent Calendar up,

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Mr. Clerk?

THE CLERK:

(Inaudible.)

THE CHAIR:

A ready vote.

Senators, we're having a little problem with the machine, if you'll just wait one moment, please.

Okay. It's -- I'm going to close the machine and reopen.

Mr. Clerk, are they resetting the -- the title?

Mr. Clerk?

THE CLERK:

I'm sorry.

THE CHAIR:

Is somebody resetting?

THE CLERK:

He's trying --

THE CHAIR:

Okay.

THE CLERK:

-- to do that. Okay.

THE CHAIR:

Thank you.

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Do you want to announce again? Mr. Clerk, will you announce a roll call vote again, please, and we will open the machines.

THE CLERK:

An immediate roll call vote on the First Consent Calendar is taking place in the Senate. Will all Senators please return to the Chamber. An immediate roll call vote on the First Consent Calendar is taking place in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? If all members voted, the machine will be locked.

Will the Clerk please announce the tally.

THE CLERK:

Madam President:

Total number voting	36
Those voting Yea	36
Those voting Nay	0
Absent	0

THE CHAIR:

The Consent Calendar is adopted.

Senator Looney.

SENATOR LOONEY: