

Legislative History for Connecticut Act

PA 14-227

HB5546

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

**VOL.57
PART 12
3746 – 4097**

If there are no other introductions, we'll return to the call of the Calendar.

Mr. Clerk, please call Calendar 297.

THE CLERK:

On page 12, Calendar 297, Favorable Report of the joint standing Committee on Finance, Revenue, and Bonding, Substitute House Bill 5546, AN ACT IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS.

DEPUTY SPEAKER GODFREY:

Distinguished Vice Chairman of the Finance Committee, Representative Lemar.

REP. LEMAR (96th):

Thank you, Mr. Speaker.

Mr. Speaker, I move for acceptance of the joint committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER GODFREY:

The question is on acceptance and passage. Will you explain the bill, please, sir.

REP. LEMAR (96th):

Mr. Speaker, the Clerk is in possession of an amendment, LCO 4565. I would ask the Clerk to please call the amendment and that I be granted leave of the Chamber to summarize.

mhr/gbr
HOUSE OF REPRESENTATIVES

124
April 30, 2014

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 4565, so it would be designated House Amendment Schedule "A."

Will the Clerk please call the amendment.

THE CLERK:

House Amendment "A," LCO 4565, as introduced by Representative Widlitz and Senator Fonfara.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the Chamber to summarize. Is there any objection?

Hearing none, Representative Lemar.

REP. LEMAR (96th):

Thank you, Mr. Speaker.

Mr. Speaker we have a strike-all amendment that becomes the bill, and what it does simply is authorize the Department of Review Service Commissioner to disclose certain tax information to the Auditors of Public Accounts for purposes of performing their auditing duties and reviewing whistle-blower complaints. They have this authority in many other circumstances but not for the purposes of evaluating whistle-blower complaints.

It also requires the state auditors to conduct biennial compliance audits rather than their annual

financial audits of the Capital Regional Development Authority and the stadium Enterprise Fund.

I move adoption.

DEPUTY SPEAKER GODFREY:

The question is on adoption of House Amendment Schedule "A."

Will you remark further?

Distinguished Ranking Member of Finance, Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker, and good afternoon.

Just a quick question, through you, to the proponent of the amendment.

DEPUTY SPEAKER GODFREY:

Proceed, sir.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

Through you, to Representative Lemar, could Representative Lemar explain what has changed in this bill -- I'm sorry -- in the amendment that he is proposing here from the underlying bill?

Through you.

DEPUTY SPEAKER GODFREY:

Representative Lemar, do you care to respond?

mhr/gbr
HOUSE OF REPRESENTATIVES

126
April 30, 2014

REP. LEMAR (96th):

Thank you, Mr. Speaker.

Through you, the original bill had a section which created an intercept program, tax intercept program through DRS that would have had the UCONN Health Center as an eligible member of the state intercept program, where if you'd had an outstanding balance, patient account balance at UCONN Health Center, we would have been able to attach your refund and keep those dollars in exchange for your outstanding balance. We decided to strip that section from this bill, and what remains is just the remaining three sections.

DEPUTY SPEAKER GODFREY:

Representative Williams.

REP. WILLIAMS (68th):

Thank you, Mr. Speaker.

I thank the gentleman for his answer, and I would urge adoption of the amendment and a vote for the underlying bill.

Thank you.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Will you remark further on House Amendment

Schedule" A?" Will you remark further?

If not, let me try your minds. All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, Nay.

The Ayes have it. The amendment is adopted.

Will you remark on the bill as amended? Will you remark on the bill as amended?

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.

The House of Representatives is voting by roll. Will members please return to the Chamber immediately.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted?

If all the members have voted, the machine will be locked. The Clerk will take a tally.

And, Mr. Clerk, if you'd kindly announce the tally.

THE CLERK:

Yes, Mr. Speaker. On House Bill 5546 as amended
by House "A."

Total number voting	145
Necessary for passage	73
Those voting Yea	145
Those voting Nay	0
Absent, not voting	6

DEPUTY SPEAKER GODFREY:

The bill as amended is passed.

The House will stand at ease.

(Chamber at ease.)

(Deputy Speaker Orange in the Chair.)

DEPUTY SPEAKER ORANGE:

And will the House please come back to order.

And are there any announcements or introductions?

Announcements or introductions?

Representative Berger.

REP. BERGER (73rd):

Thank you, Madam Speaker, for the purposes of an
introduction.

H – 1201

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

**VOL.57
PART 21
6912 – 7260**

Disagreeing actions: Substitute House Bill 5546,
AN ACT IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE
AUDITORS OF PUBLIC ACCOUNTS.

SPEAKER SHARKEY:

Representative Lemar.

REP. LEMAR (96th):

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

SPEAKER SHARKEY:

Question's on acceptance of the joint committee's
favorable report and passage of the bill.

Will you remark, sir?

REP. LEMAR (96th):

Speaker, the Clerk has Amendment LCO 569, and I
would ask the clerk to please call the amendment and I
be granted leave of the Chamber to summarize.

SPEAKER SHARKEY:

The Clerk will (inaudible).

REP. LEMAR (96th):

I move adoption.

SPEAKER SHARKEY:

Question's on adoption of Senate Amendment "A."
Will you remark?

Seeing none, if not, let me try your minds.

All those in favor of Senate Amendment "A,"
please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

The ayes have it.

Would you care to remark further on the bill as
amended? Would you care to remark further on the bill
as amended?

If not, staff and guests to the well of the
House. Members take your seats. The machine will be
open.

Have all the members voted? Have all the members
voted? Will members please check the board to make
sure that your vote is properly cast. The machine
will be locked and the Clerk will take a tally.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives voting by roll.

SPEAKER SHARKEY:

Members please check the board to make sure your
vote is properly -- oh, I'm sorry.

Clerk please announce the tally.

THE CLERK:

House Bill 5546 as amended by Senate "A"

Total Number Voting 145

Necessary for Passage 73

Those voting Yea 145

Those voting Nay 0

Those absent and not voting 6

SPEAKER SHARKEY:

The bill, as amended, passes.

Will the Clerk please call Calendar 508.

THE CLERK:

508, report of the joint standing committee on
Judiciary, AN ACT CONCERNING THE LIABILITY FOR THE
GROWING OF RUNNING BAMBOO.

SB72

SPEAKER SHARKEY:

Representative Gentile.

REP. GENTILE (104th):

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

SPEAKER SHARKEY:

Please pause.

Can we put this on the board please.

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CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2014**

**VETO
SESSION**

**VOL. 57
PART 11
3246 – 3508**

pat/gbr
SENATE

297
May 7, 2014

Thank you, Madam President, if the Clerk would call the bill from Page 22 first and the bill from Agenda Number 4 next.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 22, Calendar 536, Substitute for House Bill Number 5546 AN ACT IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE AUDITORS OF PUBLIC ACCOUNTS. Favorable Report of the Committee on Finance, Revenue and Bonding. We have amendments.

THE CHAIR:

Senator Fonfara.

SENATOR FONFARA:

I move for acceptance of the Joint --

THE CHAIR:

Motion is on acceptance and passage. Will you remark, sir?

SENATOR FONFARA:

Madam President, the Clerk is in possession of amendment, LCO 5699. May he please call and may I be allowed to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 5699, Senate "A", offered by Senator Fonfara.

SENATOR FONFARA:

I move adoption, Madam President.

pat/gbr
SENATE

298
May 7, 2014

THE CHAIR:

Motion is on adoption. Will you remark? Will you remark? All in favor of Senate "A", please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed? Senate "A" passed. Senator Fonfara.

SENATOR FONFARA:

I urge passes, Madam President.

THE CHAIR:

At this time I will call for a Roll Call Vote on Calendar 22. The machine will be opened. Mr. Clerk.

THE CLERK:

Immediate Roll Call has been ordered in the Senate. An immediate Roll Call ordered in the Senate.

THE CHAIR:

Senator Cassano. Senator Cassano. Senator Coleman. The machine will be closed. Mr. Clerk, will you please call a tally.

THE CLERK:

House Bill 5546.

Total number voting	36
Necessary for passage	19
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

pat/gbr
SENATE

299
May 7, 2014

The bill passes. Senator Looney, do you want to transfer this, please?

SENATOR LOONEY:

Thank you, Madam President. Would move for suspension for immediate transmittal to the House of Calendar Page 22, Calendar 536, Bill 5546.

THE CHAIR:

So ordered, sir. Mr. Clerk.

THE CLERK:

From Agenda, Senate Agenda Number 4, House Bill 5417.

SENATOR MEYER:

Madam President.

THE CHAIR:

I'm sorry. Senator Meyer.

SENATOR MEYER:

I do move acceptance of the Joint Committee's Favorable Report and passage of this bill.

THE CHAIR:

In concurrence with the House?

SENATOR MEYER:

In concurrence with the House.

THE CHAIR:

So motion is on acceptance and passage. Will you remark, sir?

SENATOR MEYER:

Yes. Colleagues. This bill seeks to create a new industry and requires the Department of Energy and

**JOINT
STANDING
COMMITTEE
HEARINGS**

**FINANCE
REVENUE
AND BONDING
1 – 523**

**2014
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*Not
Testifying*

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

JOHN C GERAGOSIAN

ROBERT M. WARD

Testimony in Favor of Raised HB 5546

March 17, 2014

We would like to thank the Finance, Revenue, and Bonding Committee for raising HB 5546, An Act Implementing Certain Recommendations of the Auditors of Public Accounts. We are strongly in favor of this legislation.

During the course of auditing state and quasi-public agencies, our auditors discover issues that merit the attention of the General Assembly. This bill implements several of the changes that were recommended in our annual report. That report can be accessed on our website (<http://www.cga.ct.gov/apa/>).

Section 1 corrects an inconsistency in state statutes regarding our office's access to confidential tax information at the Department of Revenue Services in whistleblower investigations.

The General Statutes, as currently written, clearly grant the Auditors of Public Accounts access to confidential taxpayer information when performing its auditing duties in accordance with Section 2-90. However, the auditors are also required to conduct reviews of whistleblower complaints under Section 4-61dd. The Commissioner of the Department of Revenue Services has denied our office access to this same taxpayer information when conducting investigations under Section 4-61dd, citing the restrictive language contained in subsection (b)(2) of Section 12-15. It should be noted that, while our office is authorized to access confidential information maintained by state agencies when conducting our audits, we are also required by Section 2-90 to maintain the confidentiality of such information in the same manner and to the same extent as the custodial state agency. Furthermore, if our office fails to protect this information, we are subject to the same penalties as would apply to the custodial state agency.

Section 2 allows the UConn Health Center to utilize the state's Tax Intercept Program to collect amounts due on delinquent patient accounts.

Section 12-742 of the General Statutes establishes a process for the withholding of state income tax refunds of those persons or entities owing debts to the state. This process is commonly referred to as the State Tax Intercept Program.

For example, the UConn Health Center ultimately writes off approximately \$4,000,000 in patient accounts receivable per year. We have recommended to the management of the health center in our most recent audit that it participate in the program to enhance collection efforts. Health center management has responded by indicating that there is uncertainty as to whether the health center is permitted to utilize the program.

Section 3 eliminates a redundant audit requirement related to the Capital Region Development Authority (CRDA).

The audit requirements as set forth by Section 32-605 of the General Statutes are redundant in that they call for separate and potentially duplicative audits by the Auditors of Public Accounts and by outside audit firms. Section 32-605 of the General Statutes, as amended by Public Act 12-147, states that the board of directors of the Capital Region Development Authority shall annually contract for a financial audit of the authority. This statute goes on to say that, in lieu of the audit required under section 1-122 of the general statutes, the directors of the Capital Region Development Authority shall annually contract with a person, firm or corporation for a compliance audit. Section 32-605 (c) of the General Statutes states that the books and accounts of the Capital Region Development Authority shall be subject to annual audits by the Auditors of Public Accounts. Section 1-122 of the General Statutes calls for the Auditors of Public Accounts to conduct a biennial compliance audit of each quasi-public agency's activities during the preceding fiscal year.

In practice, the authority has been contracting with an outside audit firm to perform an annual financial audit and the Auditors of Public Accounts has been performing a compliance audit of the authority. However, the audit requirements as put forth in the statute could result in unnecessary duplication of effort unless they are changed.

Section 4 eliminates the redundant requirement that our office audit the Rentschler Stadium Enterprise Fund.

Section 32-657 subsection (g) of the General Statutes originally required an independent auditing firm to conduct a comprehensive annual audit of the Rentschler Stadium Enterprise Fund and other accounts holding state monies associated with the stadium facility. Public Act 08-185, effective June 12, 2008, deleted the provisions requiring an independent auditing firm to conduct the annual audit and required instead that the Auditors of Public Accounts conduct such audit.

Public Act 12-147, effective July 1, 2013, provided the Capital Region Development Authority (CRDA) with the management responsibility for Rentschler Field. Given that CRDA is required by subsection (d) of Section 32-605 of the General Statutes to have an independent financial statement audit conducted in accordance with generally accepted auditing standards, that audit would have to include the operations of the stadium. The requirement that the Auditors of Public Accounts also complete the same type of audit is an unnecessary duplication of effort.

For the fiscal year ended June 30, 2013, an independent auditing firm performed the required audit of the CRDA financial statements and conducted a separate audit of the Rentschler Field financial statement. The Auditors of Public Accounts would continue to conduct a biennial

compliance audit of the Capital Region Development Authority pursuant to Section 1-122 of the General Statutes, which would maintain our oversight over Rentschler.

In summary, Section 1 will allow our office to fully conduct a whistleblower investigation in those rare circumstances that access to individual tax information is necessary to such an investigation. Section 2 will allow the UCONN Health Center to use the state's Tax Intercept Program to more efficiently collect delinquent patient accounts. Sections 3 and 4 will allow our office to be more efficient by eliminating duplicative financial statement audits for certain quasi-public agencies.

Thank you again for raising this important legislation. As always, we are available to you to answer any questions you may have about this legislation or the work our office does.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts