



General Assembly

**Substitute Bill No. 5490**

January Session, 2007

\*        HB05490PD        032207        \*

**AN ACT ESTABLISHING A FIRST-TIME HOMEBUYER SAVINGS PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2007*) (a) The Commissioner of  
2       Economic and Community Development, in consultation with the  
3       Commissioner of Revenue Services, shall establish a first-time  
4       homebuyer savings program whereby graduates of a public or  
5       independent institution of higher education in the state, for the period  
6       ending ten years after the date of graduation, may elect to have one  
7       hundred per cent of the amount paid by such graduate for the income  
8       tax under chapter 229 of the general statutes in each calendar year  
9       segregated by the Commissioner of Revenue Services and deposited  
10      into the fund established by section 2 of this act and used for the  
11      purchase of the first home of such graduate. Taxes shall be segregated  
12      for tax years commencing on January 1, 2008. Payments to a graduate  
13      shall equal the amount paid for the income taxes by the graduate.  
14      Enrollment in the program shall begin on January 1, 2008.

15      (b) The Commissioner of Economic Development, in consultation  
16      with the Commissioner of Revenue Services, shall adopt regulations, in  
17      accordance with the provisions of chapter 54 of the general statutes, to  
18      carry out the provisions of this section.

19 (c) Not later than December 1, 2007, within available appropriations,  
20 the Commissioner of Economic and Community Development shall  
21 develop a comprehensive public education program to educate recent  
22 graduates of a public or independent institution of higher education in  
23 the state about the first-time homebuyer savings program established  
24 under this section. The public education program shall include, but not  
25 be limited to, information concerning lifetime savings plans and  
26 information on the purchase of a house. The department shall begin to  
27 implement the outreach program not later than January 1, 2008.

28 (e) Not later than January 1, 2009, and annually thereafter, the  
29 Commissioner of Economic and Community Development shall  
30 submit a report to the select committee of the General Assembly  
31 having cognizance of matters relating to housing on the program  
32 established pursuant to this section. Said report shall review the  
33 program and may include recommendations for legislation.

34 Sec. 2. (NEW) (*Effective July 1, 2007*) There is created a "Connecticut  
35 First-time Homebuyers Fund". Moneys segregated by the  
36 Commissioner of Revenue Services pursuant to section 1 of this act  
37 shall be deposited in the fund. Amounts deposited in the fund shall be  
38 available to the Commissioner of Economic and Community  
39 Development for payments to participants in the first-time home buyer  
40 program established pursuant to section 1 of this act. The State  
41 Treasurer shall invest the proceeds of the fund and investment  
42 earnings shall be credited to and become part of the General Fund.  
43 Annually, on or before September first, the Treasurer shall notify the  
44 Commissioner of Economic and Community Development of the total  
45 amount in the fund. Any balance remaining in the fund at the end of  
46 each fiscal year shall be carried forward in the fund for the succeeding  
47 fiscal year. Any funds segregated for a participant in the program that  
48 are not used in the purchase of a home shall be transferred to the  
49 General Fund. Any costs incurred by the State Treasurer in  
50 administering the fund shall be paid from the fund.

