



Senate Bill No. 290

Public Act No. 14-28

AN ACT CONCERNING TUITION RAFFLES.

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

Section 1. Section 7-185b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014*):

(a) As used in this section, "tuition raffle" means a raffle in which the prize is payment of the tuition or part of the tuition at an educational institution or payment of a student loan or part of a student loan for a student recipient designated by the raffle winner.

(b) Notwithstanding the provisions of sections 7-170 to 7-186, inclusive, any organization qualified to conduct a bazaar or raffle under section 7-172 may conduct a special tuition raffle once each calendar year. The Commissioner of Consumer Protection shall adopt such regulations, in accordance with chapter 54, as are necessary to carry out the provisions of this section. Said regulations shall (1) allow [(1)] any organization permitted to conduct a special tuition raffle to fund all or a [portion] part of a student recipient's education or to pay all or part of a student recipient's student loan each year for a period not to exceed four years, (2) permit the student recipient to be the actual tuition raffle winner, a relative of the raffle winner or a student chosen by the raffle winner, (3) give authority to the sponsoring

Senate Bill No. 290

organization to permit the tuition prize to be divided among student recipients designated by the raffle winner, (4) provide that the tuition prize be paid each consecutive year, commencing with the first year of the student recipient's education at an accredited private or parochial school, or public or independent institution of higher education selected by the student recipient, (5) provide that the tuition prize be paid directly to the educational institution or financial institution that made the student loan designated by the student recipient, and no tuition prize shall be redeemed or redeemable for cash, and (6) provide that the tuition raffle winner have a period not to exceed four years to designate a student recipient. For purposes of this section, "financial institution" means a bank, as defined in section 36a-2, an out-of-state bank, as defined in section 36a-2, a Connecticut credit union, as defined in section 36a-2, an out-of-state credit union, as defined in section 36a-2, an institutional lender, any subsidiary or affiliate of such bank, out-of-state bank, Connecticut credit union, out-of-state credit union or institutional lender, or other lender licensed by the Department of Banking.

(c) All proceeds of the special tuition raffle shall be deposited in a special dedicated bank account approved by the Commissioner of Consumer Protection, and all special tuition raffle expenses shall be paid from such account. The commissioner shall prescribe the maintenance of tuition raffle accounts by any sponsoring organization and such accounts shall be subject to audit by the commissioner or a designee. The commissioner may require any organization conducting a tuition raffle to post a performance bond in an amount sufficient to fully fund the special tuition raffle prize to be awarded.

(d) Any organization permitted to conduct a special tuition raffle shall file a tuition raffle financial report in a manner prescribed by the commissioner. Such report shall detail the status of the tuition prize money or the raffle and any other information that the commissioner

Senate Bill No. 290

may require, on a quarterly basis, during the months of January, April, July and October, until all tuition or student loan payments for each special tuition raffle have been paid.

Approved May 16, 2014