
OLR Bill Analysis

SB 290

AN ACT CONCERNING TUITION RAFFLES.

SUMMARY:

This bill allows qualified organizations that hold special tuition raffles to offer, as prizes, full or partial student loan payments for student recipients designated by the winners. It requires the Department of Consumer Protection (DCP) commissioner to adopt regulations to (1) allow any organization permitted to conduct a special tuition raffle to pay all or part of a student recipient's student loan each year for up to four years and (2) provide that the tuition prize be paid directly to the financial institution that made the student loan.

Under the bill, a financial institution includes a bank, out-of-state bank, Connecticut credit union, out-of-state credit union, institutional lender, and any subsidiary or affiliate of such institutions, or other Department of Banking-licensed lender.

EFFECTIVE DATE: October 1, 2014

BACKGROUND

Tuition Raffles

By law, qualified organizations may conduct special tuition raffles once each calendar year and award full or partial tuition payments as prizes. Special tuition raffle proceeds must be deposited in a special dedicated bank account to pay the raffle expenses. The DCP commissioner must approve the accounts, which are subject to DCP audit, and prescribe how sponsoring organizations maintain them. The commissioner may require organizations to post a performance bond to fully fund prizes.

Organizations that conduct tuition raffles must file quarterly tuition

raffle financial reports as the commissioner prescribes, as well as verified financial reports. The reports must detail the status of the tuition prize money or raffle and any other information the commissioner requires. They are due in January, April, July, and October, until the organization makes all the tuition payments for each special raffle.

Organizations Qualified to Conduct Tuition Raffles

The law allows the following to conduct, operate, or sponsor raffles if the municipality where they are located has adopted the Bazaars and Raffles Act: veterans, religious, civic, fraternal, educational, and charitable organizations; volunteer fire companies; and political parties and their town committees. Raffles may also be promoted and conducted if sponsored by towns acting through a designated centennial, bicentennial, or other centennial celebration committee.

Related Bill

sSB 100 (File 55), reported favorably by the Public Safety and Security Committee, (1) changes the initial governmental entity to which an organization submits its bazaar or raffle license application and fees, from the local municipality to DCP; (2) allows, with written approval, organizations to hold raffles outside of the permitted municipality; and (3) allows organizations to use all types of advertisements.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 24 Nay 0 (03/11/2014)