

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-28—SB 290

Public Safety and Security Committee

General Law Committee

AN ACT CONCERNING TUITION RAFFLES

SUMMARY: This act 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, as an alternative to tuition payments. 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 loan.

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

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, approved by the DCP commissioner, to pay the raffle expenses. The commissioner may require organizations to post a performance bond to fully fund prizes.

Organizations must file quarterly tuition raffle financial reports and verified financial reports.

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 Act

PA 14-24 (1) changes the initial government entity to which an organization

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must submit its bazaar or raffle permit application and fees, from the municipality to DCP; (2) allows organizations, with written approval, to hold raffles outside of the municipality that granted the permit; and (3) allows organizations to use all types of advertisements to promote bazaars and raffles.

OLR Tracking: DC:CR:VR:am