



General Assembly

**Raised Bill No. 5171**

February Session, 2016

LCO No. 1054

\* \_\_\_\_\_HB05171HED\_\_\_031516\_\_\_\_\_\*

Referred to Committee on HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT

Introduced by:  
(HED)

***AN ACT CREATING A SLIDING SCALE FOR LETTERS OF CREDIT  
FILED BY PRIVATE OCCUPATIONAL SCHOOLS.***

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

1 Section 1. Subsection (d) of section 10a-22c of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2016*):

4 (d) No certificate to operate a new private occupational school shall  
5 be issued by the executive director pursuant to section 10a-22d until  
6 such private occupational school seeking authorization files with the  
7 executive director an irrevocable letter of credit (1) issued by a bank  
8 with its main office or branch located within this state, (2) in an  
9 amount to be determined according to a sliding scale developed by the  
10 executive director based on the proposed student enrollment, the  
11 proposed school catalog and financial statements detailing the  
12 condition of the school, submitted in accordance with the provisions of  
13 subsection (c) of section 10a-22b, but not to exceed the penal amount of  
14 forty thousand dollars, and (3) guaranteeing the payments required of  
15 the school to the private occupational school student protection

16 account in accordance with the provisions of section 10a-22u. The letter  
17 of credit shall be payable to the private occupational school student  
18 protection account in the event that such school fails to make  
19 payments to the account as provided in subsection (a) of section 10a-  
20 22u or in the event the state takes action to reimburse the account for a  
21 tuition refund paid to a student pursuant to the provisions of section  
22 10a-22v, provided the amount of the letter of credit to be paid into the  
23 private occupational school student protection account shall not  
24 exceed the amounts owed to the account. The letter of credit required  
25 by this subsection shall be released twelve years after the date of initial  
26 approval, provided evidence of fiscal soundness has been verified.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	10a-22c(d)

**HED**      *Joint Favorable*