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## **OLR Bill Analysis**

### **sSB 274**

#### ***AN ACT REQUIRING THE ESTABLISHMENT OF THE LEARN HERE, LIVE HERE PROGRAM.***

#### **SUMMARY**

This bill activates the Learn Here, Live Here program, which, under current law, may offer eligible graduating students (see BACKGROUND) the option of segregating a portion of their income tax payments into a special account they can use to make a down payment to purchase their first home in Connecticut.

Specifically, the bill requires, rather than allows, the Department of Economic and Community Development (DECD) to establish the program, and resets the implementation deadlines. It also revises the program's eligibility criteria. To be eligible under the bill, a student must graduate on or after January 1, 2020, instead of January 1, 2014, and have a Connecticut adjusted gross income of no more than \$75,000.

Once the program is activated, the law allows participating graduates to segregate up to \$2,500 per year from their income tax payments for up to 10 years after graduation. It also limits the total amount the state may segregate for all participating graduates to \$1 million per year. A participant may withdraw some or all of the funds for a down payment any time within 10 years after graduation, but any balance remaining after 10 years must be deposited into the General Fund.

The bill requires participants to repay funds received through the program if they move out of state within five years after the DECD commissioner issues payment to them. It also requires the commissioner to file liens to secure the payments.

EFFECTIVE DATE: July 1, 2019

## **IMPLEMENTATION DEADLINES**

Current law allows the DECD commissioner to market the program, within available appropriations, by December 1, 2012, and begin to implement it by January 1, 2014. The bill instead requires him to do so by December 1, 2019, and January 1, 2020, respectively.

## **REPAYMENT OF PROGRAM FUNDS**

Current law requires a program participant who moves out of state up to one year after joining the program to repay 100% of the amount he or she received under the program. Those who leave in any of the four subsequent years must repay smaller amounts as follows: 80% in the second, 60% in the third, 40% in the fourth, and 20% in the fifth. The bill specifies that a participant's repayment obligation starts from the date on which the DECD commissioner issued the payment to the participant. By law, there is no repayment obligation after five years. Any amounts repaid must be deposited into the General Fund.

The bill requires the commissioner, on the date the participant purchases the property, to secure the repayment amount by filing a lien against the property's title in the amount of the payment issued to the participant. The lien takes precedence over any subsequent transfer or encumbrance recorded against the title, including a mortgage filed at the same time as the commissioner's lien, and does not expire until at least five years after the participant purchased the property.

## **BACKGROUND**

### ***Eligible Students***

The Learn Here, Live Here program is open to students graduating from Connecticut public higher education institutions, private universities and colleges, technical education and career schools, and health care training schools. Health care training schools include medical or dental schools, chiropractic colleges, optometry schools or colleges, chiropody or podiatry schools or colleges, occupational therapy schools, hospital-based occupational schools, naturopathy schools or colleges, dental hygiene schools, physical therapy schools, and any other healing arts school or institution.

**COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 2 (03/14/2019)