
OLR Bill Analysis

sHB 6235

AN ACT ESTABLISHING THE "LEARN HERE, HEAL HERE" PROGRAM.

SUMMARY

This bill requires the Department of Economic and Community Development (DECD), in consultation with the Department of Revenue Services (DRS), to establish the "Learn Here, Heal Here" program. The program offers eligible psychiatrists the option of segregating a portion of their state income tax payments into a special account they can use to make a down payment to purchase their first home in Connecticut.

The bill allows program participants to segregate up to \$2,500 per year from their income tax payments for up to 10 years after graduation. Any balance remaining after 10 years must be deposited into the General Fund. It also limits the total amount the state may segregate to \$1 million per year for up to 40 new program participants.

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 (1) file liens to secure the payments and (2) by December 1, 2021, and within available appropriations, develop a public education program about the Live Here, Heal Here program.

EFFECTIVE DATE: July 1, 2021

ELIGIBLE PROGRAM PARTICIPANTS

The bill requires program participants to:

1. have graduated on or after January 1, 2022, from a medical school located in the U.S. or Canada accredited by the Liaison Committee on Medical Education;

2. be licensed to practice psychiatry in the state; and
3. accept patients who receive health coverage through any medical insurance plan, including HUSKY Health.

To participate in the program, these individuals must apply to DECD in the form and manner the commissioner prescribes, within the first 10 years after graduating from medical school. To be eligible to receive the payment, the participant must not have previously bought a house individually or with anyone else.

LEARN HERE, HEAL HERE ACCOUNT

The bill establishes the Learn Here, Heal Here homebuyers account as a separate, nonlapsing account within the General Fund. Starting in the 2022 taxable year, DRS must, upon the participant's request, segregate his or her income taxes up to the bill's \$2,500 annual maximum for up to 10 years. DRS must place funds it segregates into the account for eligible medical school graduates enrolled in the program to use on a down payment. Under the bill, DECD uses those funds to make payments to program participants. If the payment is less than the amount the person paid into the account, the excess amount must be deposited in the General Fund.

The bill requires the state treasurer to invest the program's fund proceeds, and investment earnings are credited to the General Fund. The treasurer must also notify the DECD commissioner, by September 1, 2022, and annually thereafter, of the total amount deposited in the account.

REPAYMENT OF PROGRAM FUNDS

The bill requires a program participant who moves out of state up to one year after DECD issued a program payment to repay 100% of that amount. Those who leave the state 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. Under the bill, 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 it does not expire until at least five years after the purchase.

PUBLIC EDUCATION PROGRAM

The bill requires the DECD commissioner, within available appropriations and by December 1, 2021, to develop a public education program to educate eligible medical school graduates about the bill's first-time homebuyer program. DECD must begin to implement the education program by January 1, 2022.

BACKGROUND

Related Bill

sSB 1087, reported favorably by the Public Health Committee, includes various provisions on the recruitment or retention of mental health providers, such as requiring the Office of Higher Education, within available appropriations, to administer a loan reimbursement program for psychiatrists and certain other providers who are employed at a federally qualified health center for at least two years.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/22/2021)