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## **OFA Bill Analysis**

### **HB 6659**

#### ***AN ACT CONCERNING THE ESTABLISHMENT OF THE CONNECTICUT BABY BOND TRUST.***

##### **SUMMARY:**

The bill establishes the Connecticut Baby Bond Trust, and requires a \$5000 deposit from the General Fund to the Trust at the time of every eligible birth. The purpose of the Trust is to take in and invest money on behalf of "designated beneficiaries," who may spend a portion of fund proceeds on eligible expenditures on or after their 18<sup>th</sup> birthday.

Designated beneficiaries are those persons born after July 1, 2021 under medical coverage provided under HUSKY Health, as defined in CGS 17b-290. Funds are accessible to a designated beneficiary if they are living in Connecticut on their 18<sup>th</sup> birthday. Eligible expenses include education, homeownership, business ownership, or "investment in financial assets or personal capital that provides long-term gains to wages or wealth" as defined by the Treasurer.

The Connecticut Baby Bond Trust is empowered to receive, hold, and invest the monies deposited into the Trust, and to pay for administrative expenses from the investment proceeds of the Trust. Deposits in the Trust and the trust itself are not property of the state or within any department, institution, or agency of the state, and are to be held separate from state funds. Contracts of the Trust are not debts or obligations of the state. Property and earnings of the Trust are exempt from taxation by the State and all political subdivisions of the State.

Monies invested in the Trust are not considered assets of the beneficiaries for purposes of the temporary family assistance program, the federal Low Income Home Energy Assistance Program block grant and the weatherization assistance program, or for determining

eligibility for need-based aid at public educational institutions in the State.

EFFECTIVE DATE: July 1, 2021

**COMMITTEE ACTION**

Appropriations

Joint Favorable Substitute

Yea 34 Nay 16