



# House of Representatives

General Assembly

**File No. 336**

January Session, 2021

Substitute House Bill No. 6235

*House of Representatives, April 8, 2021*

The Committee on Higher Education and Employment Advancement reported through REP. ELLIOTT of the 88th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

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

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

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) The Commissioner of  
2 Economic and Community Development, in consultation with the  
3 Commissioner of Revenue Services, shall establish the Learn Here, Heal  
4 Here program. Such program may provide an incentive for persons  
5 licensed to practice psychiatry pursuant to the provisions of chapter 370  
6 of the general statutes to buy a first home in the state. Persons who (1)  
7 graduate on or after January 1, 2022, from a medical school located in  
8 the United States or Canada accredited by the Liaison Committee on  
9 Medical Education, (2) are licensed to practice psychiatry pursuant to  
10 the provisions of chapter 370 of the general statutes, and (3) accept  
11 patients who receive health care coverage through any medical  
12 insurance plan, including, but not limited to, the HUSKY Health  
13 program, may apply to the Commissioner of Economic and Community  
14 Development, in the form and manner prescribed by the commissioner,

15 to have their income tax liability, up to a maximum of two thousand five  
16 hundred dollars annually, segregated into the Learn Here, Heal Here  
17 homebuyers account established pursuant to section 3 of this act,  
18 provided, in any calendar year, not more than (A) one million dollars  
19 from all program participants may be so segregated, and (B) forty  
20 persons may be accepted as new program participants. After a period  
21 not exceeding ten years after graduation from medical school, any  
22 amounts so segregated may be withdrawn by a participant for the  
23 purchase of a first home in the state. The Commissioner of Economic  
24 and Community Development shall make payments in accordance with  
25 this section from said account to the participants.

26 (b) (1) After a period not exceeding ten years after the date of  
27 graduation from medical school, a participant in the program  
28 established pursuant to subsection (a) of this section may apply to the  
29 Commissioner of Economic and Community Development for a  
30 payment to be issued, on behalf of such participant, and used as the  
31 down payment on a house, which shall be the first house such  
32 participant has bought, either singly or with any other person. Such  
33 payment may be in an amount equal to the amount of segregated funds  
34 deposited on behalf of such participant. If the payment is less than such  
35 amount, any excess amount shall be deposited in the General Fund.

36 (2) If a participant in the program established pursuant to subsection  
37 (a) of this section moves out of the state at any time up to one year after  
38 the date on which the Commissioner of Economic and Community  
39 Development issued the payment to the participant, such participant  
40 shall repay one hundred per cent of the amount paid on behalf of such  
41 participant. If a participant moves out of the state at any time up to two  
42 years after such payment, such participant shall repay eighty per cent of  
43 the amount paid on behalf of such participant. If a participant moves  
44 out of the state at any time up to three years after such payment, such  
45 participant shall repay sixty per cent of the amount paid on behalf of  
46 such participant. If a participant moves out of the state at any time up  
47 to four years after such payment, such participant shall repay forty per  
48 cent of the amount paid on behalf of such participant. If a participant

49 moves out of the state at any time up to five years after such payment,  
50 such participant shall repay twenty per cent of the amount paid on  
51 behalf of such participant. After five years, there is no repayment  
52 obligation. Any amounts repaid under this subdivision shall be  
53 deposited in the General Fund. The commissioner shall file a lien against  
54 the title of the property purchased by the participant in the amount of  
55 the payment issued by the commissioner on the date of such purchase  
56 to secure the repayment of the amounts required pursuant to this  
57 subdivision. The lien filed by the commissioner shall take precedence  
58 over any subsequent transfer or encumbrances recorded against the title  
59 of the property, including any mortgage lien filed contemporaneously  
60 with the commissioner's lien, and shall expire after a period of not less  
61 than five years from the participant's purchase of the property.

62 (c) On or before December 1, 2021, the Commissioner of Economic  
63 and Community Development shall develop, within available  
64 appropriations, a public education program to educate recent graduates  
65 of any medical school located in the United States or Canada accredited  
66 by the Liaison Committee on Medical Education about the program  
67 established under subdivision (2) of subsection (a) of this section for  
68 first-time home buyers. The department shall begin to implement such  
69 education program not later than January 1, 2022.

70 Sec. 2. (NEW) (*Effective July 1, 2021*) As part of the Learn Here, Heal  
71 Here program established pursuant to section 1 of this act, for taxable  
72 years commencing on or after January 1, 2022, the Commissioner of  
73 Revenue Services shall segregate the income taxes paid by a participant  
74 in said program during a period not exceeding ten taxable years  
75 following the year of such participant's graduation from medical school.  
76 Upon the request of such participant, the commissioner shall segregate  
77 an annual amount of such tax liability, up to a maximum of two  
78 thousand five hundred dollars per year. The total amount segregated  
79 for all program participants shall not exceed one million dollars for each  
80 program in any calendar year. The commissioner shall deposit such  
81 segregated amounts into the Learn Here, Heal Here homebuyers  
82 account established pursuant to section 3 of this act.

83       Sec. 3. (NEW) (*Effective July 1, 2021*) There is established a Learn Here,  
84 Heal Here homebuyers account which shall be a separate, nonlapsing  
85 account within the General Fund. Funds segregated by the  
86 Commissioner of Revenue Services, pursuant to section 2 of this act,  
87 shall be deposited in the account. An amount equal to the amount  
88 deposited in the account shall be available to the Commissioner of  
89 Economic and Community Development for payments to participants  
90 in the program established pursuant to section 1 of this act. The State  
91 Treasurer shall invest the proceeds of the account, and investment  
92 earnings, after paying any costs incurred by the State Treasurer in  
93 administering the account, shall be credited to the General Fund. On or  
94 before September 1, 2022, and annually thereafter, the State Treasurer  
95 shall notify the Commissioner of Economic and Community  
96 Development of the total amount deposited in the account. Any funds  
97 segregated on behalf of a participant that are not used for the purchase  
98 of a first home shall be transferred to the General Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	New section
Sec. 2	<i>July 1, 2021</i>	New section
Sec. 3	<i>July 1, 2021</i>	New section

**Statement of Legislative Commissioners:**

In Section 1(b)(1), "jointly" was changed to "with any other person" for accuracy and in Section 1(b)(2), "ceases to live" was changed to "moves out of" and "paid out" was changed to "paid on behalf of such participant" for clarity and accuracy.

**HED**       *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Economic & Community Development	GF - Cost	Significant	Significant
Department of Revenue Services	GF - Potential Revenue Loss	Up to 50,000	Up to 150,000
Department of Revenue Services	GF - Cost	100,000	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill results in a potential General Fund revenue loss of up to \$50,000 in FY 22 and up to \$150,000 in FY 23.<sup>1</sup> This revenue loss may be partially offset by interest earnings on participants' contributions or by repayment in the case of participants moving out of state.

The bill also results in a one-time set up and programming cost of \$100,000 in FY 22 to the Department of Revenue Services to administer the income tax segregation provisions of the bill.

Developing and implementing a public education program to educate eligible medical school graduates about the bill's first-time homebuyer program is anticipated to cost in excess of \$100,000.

<sup>1</sup> The bill specifies the program is available to up to 40 new program participants each year and caps the amount each participant may segregate at \$2,500 per year.

***The Out Years***

The revenue loss would increase in up to \$100,000 increments annually before reaching the aggregate program cap of \$1 million as early as FY 32. The annualized cost to continue to implement a public education campaign would increase with the cost of inflation over time.

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**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)