



Senate

General Assembly

File No. 214

January Session, 2021

Substitute Senate Bill No. 651

Senate, March 30, 2021

The Committee on Children reported through SEN. ANWAR of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PERMITTING MUNICIPAL CONTRIBUTIONS TO CONNECTICUT HIGHER EDUCATION TRUST ACCOUNTS.

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

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) As used in this section, (1)
2 "Connecticut Higher Education Trust" means the trust established
3 pursuant to section 3-22g of the general statutes, and (2) "designated
4 beneficiary" has the same meaning as provided in section 3-22f of the
5 general statutes.

6 (b) Not later than June 1, 2023, the Treasurer shall establish a program
7 under which any municipality may make an annual deposit into each
8 Connecticut Higher Education Trust account established for a
9 designated beneficiary who is a resident of such municipality. The
10 Treasurer may adopt regulations in accordance with chapter 54 of the
11 general statutes to carry out the purposes of this subsection.

12 (c) On and after July 1, 2023, any municipality may, by vote of its
13 legislative body, elect to participate in the program established pursuant

14 to subsection (b) of this section. Any municipality may accept funds
 15 from private sources for the purpose of making deposits pursuant to
 16 subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	New section

Statement of Legislative Commissioners:

In Subsec. (b) "of the general statutes" was added for clarity.

KID *Joint Favorable Subst. -LCO*

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: None

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$	The Out Years
Various Municipalities	Potential Cost	None	None	See Below

Explanation

The bill requires the state treasurer to establish a program to allow municipalities to contribute to Connecticut Higher Education Trust (CHET) accounts. Municipalities that choose to do this would incur a cost that would vary based on the number of contributions they make, and the amount of those contributions.

There is no cost to the state treasurer to establish this program.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of CHET contributions made by municipalities.

OLR Bill Analysis**sSB 651*****AN ACT PERMITTING MUNICIPAL CONTRIBUTIONS TO CONNECTICUT HIGHER EDUCATION TRUST ACCOUNTS.*****SUMMARY**

This bill requires the state treasurer to establish a program by June 1, 2023, under which a municipality may annually deposit funds into each Connecticut Higher Education Trust (CHET) account (see BACKGROUND) established for a designated beneficiary who is a resident of the municipality. The bill allows the treasurer to adopt regulations to implement the program.

Beginning July 1, 2023, any municipality may elect to participate in the program by vote of its legislative body. The bill also allows municipalities to accept funds from private sources in order to make deposits into CHET accounts.

EFFECTIVE DATE: July 1, 2021

BACKGROUND***CHET***

The CHET program is a state-sponsored, federally tax-advantaged college savings program (CGS § 3-22e et seq.).

COMMITTEE ACTION

Committee on Children

Joint Favorable

Yea 10 Nay 4 (03/15/2021)