



General Assembly

January Session, 2021

Raised Bill No. 6659

LCO No. 5695



Referred to Committee on APPROPRIATIONS

Introduced by:
(APP)

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

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

1 Section 1. (NEW) (*Effective July 1, 2021*) As used in this section and
2 sections 2 to 8, inclusive, of this act:

3 (1) "Designated beneficiary" means an individual born on or after July
4 1, 2021, whose birth was subject to medical coverage provided under
5 HUSKY Health, as defined in section 17b-290 of the general statutes;

6 (2) "Eligible expenditure" means an expenditure associated with any
7 of the following: (A) Education of a designated beneficiary; (B)
8 ownership of a home by a designated beneficiary; (C) ownership of a
9 business by a designated beneficiary; or (D) any investment in financial
10 assets or personal capital that provides long-term gains to wages or
11 wealth, as prescribed by the Treasurer; and

12 (3) "Trust" means the Connecticut Baby Bond Trust.

13 Sec. 2. (NEW) (*Effective July 1, 2021*) (a) There is established the

14 Connecticut Baby Bond Trust. The trust shall constitute an
15 instrumentality of the state and shall perform essential governmental
16 functions as provided in sections 1 to 8, inclusive, of this act. The trust
17 shall receive and hold all payments and deposits or contributions
18 intended for the trust, as well as gifts, bequests, endowments or federal,
19 state or local grants and any other funds from any public or private
20 source and all earnings until disbursed in accordance with section 7 of
21 this act.

22 (b) The amounts on deposit in the trust shall not constitute property
23 of the state and the trust shall not be construed to be a department,
24 institution or agency of the state. Amounts on deposit in the trust shall
25 not be commingled with state funds and the state shall have no claim to
26 or against, or interest in, such funds. Any contract entered into by or any
27 obligation of the trust shall not constitute a debt or obligation of the state
28 and the state shall have no obligation to any designated beneficiary or
29 any other person on account of the trust and all amounts obligated to be
30 paid from the trust shall be limited to amounts available for such
31 obligation on deposit in the trust. The amounts on deposit in the trust
32 may only be disbursed in accordance with the provisions of section 7 of
33 this act. The trust shall continue in existence as long as it holds any
34 deposits or has any obligations and until its existence is terminated by
35 law and upon termination any unclaimed assets shall return to the state.
36 Property of the trust shall be governed by section 3-61a of the general
37 statutes.

38 (c) The Treasurer shall be responsible for the receipt, maintenance,
39 administration, investing and disbursements of amounts from the trust.
40 The trust shall not receive deposits in any form other than cash.

41 Sec. 3. (NEW) (*Effective July 1, 2021*) The Treasurer, on behalf of the
42 trust and for purposes of the trust, may:

43 (1) Receive and invest moneys in the trust in any instruments,
44 obligations, securities or property in accordance with section 4 of this
45 act;

46 (2) Enter into one or more contractual agreements, including
47 contracts for legal, actuarial, accounting, custodial, advisory,
48 management, administrative, advertising, marketing and consulting
49 services for the trust and pay for such services from the gains and
50 earnings of the trust;

51 (3) Procure insurance in connection with the trust's property, assets,
52 activities or deposits to the trust;

53 (4) Apply for, accept and expend gifts, grants or donations from
54 public or private sources to enable the trust to carry out its objectives;

55 (5) Adopt regulations in accordance with chapter 54 of the general
56 statutes for purposes of this act;

57 (6) Sue and be sued;

58 (7) Establish one or more funds within the trust and maintain
59 separate accounts for each designated beneficiary; and

60 (8) Take any other action necessary to carry out the purposes of this
61 act, and incidental to the duties imposed on the Treasurer pursuant to
62 this act.

63 Sec. 4. (NEW) (*Effective July 1, 2021*) Notwithstanding the provisions
64 of sections 3-13 to 3-13h, inclusive, of the general statutes, the Treasurer
65 shall invest the amounts on deposit in the trust in a manner reasonable
66 and appropriate to achieve the objectives of the trust, exercising the
67 discretion and care of a prudent person in similar circumstances with
68 similar objectives. The Treasurer shall give due consideration to rate of
69 return, risk, term or maturity, diversification of the total portfolio within
70 the trust, liquidity, the projected disbursements and expenditures and
71 the expected payments, deposits, contributions and gifts to be received.
72 The Treasurer shall not require the trust to invest directly in obligations
73 of the state or any political subdivision of the state or in any investment
74 or other fund administered by the Treasurer. The assets of the trust shall
75 be continuously invested and reinvested in a manner consistent with the

76 objectives of the trust until disbursed for qualified expenses as defined
77 by this act or expended on expenses incurred by the operations of the
78 trust.

79 Sec. 5. (NEW) (*Effective July 1, 2021*) The property of the trust and the
80 earnings on the trust shall be exempt from all taxation by the state and
81 all political subdivisions of the state.

82 Sec. 6. (NEW) (*Effective July 1, 2021*) (a) Notwithstanding any
83 provision of the general statutes, no moneys invested in the Connecticut
84 Baby Bond Trust shall be considered to be an asset for purposes of
85 determining an individual's eligibility for assistance under the
86 temporary family assistance program, as described in section 17b-112 of
87 the general statutes, programs funded under the federal Low Income
88 Home Energy Assistance Program block grant and the federally
89 appropriated weatherization assistance program.

90 (b) Notwithstanding any provision of the general statutes, no moneys
91 invested in the trust shall be considered to be an asset for purposes of
92 determining an individual's eligibility for need-based, institutional aid
93 grants offered to an individual at the public eligible educational
94 institutions in the state.

95 Sec. 7. (NEW) (*Effective July 1, 2021*) (a) The Treasurer shall establish
96 in the Connecticut Baby Bond Trust an accounting for each designated
97 beneficiary. Each such accounting shall include the amount transferred
98 to the trust pursuant to section 8 of this act, plus the designated
99 beneficiary's pro rata share of total net earnings from investments of
100 sums held in the trust.

101 (b) Upon a designated beneficiary's eighteenth birthday, if such
102 beneficiary is a resident of the state, such beneficiary shall become
103 eligible to receive the total sum of the accounting under subsection (a)
104 of this section to be used for a qualified expense. The Treasurer may
105 adopt regulations, in accordance with the provisions of chapter 54 of the
106 general statutes, to carry out the purposes of this section.

107 (c) If a designated beneficiary is deceased before his or her eighteenth
 108 birthday, or is no longer a resident of the state on his or her eighteenth
 109 birthday, such accounting shall be credited back to the trust.

110 (d) The Treasurer shall furnish each eligible beneficiary with an
 111 annual statement relating to the individual's accounting, which shall
 112 include (1) a statement of the balance attributable to the individual, (2)
 113 a projection of the balance's growth by the time the individual attains
 114 the age of eighteen, (3) resources and information to promote financial
 115 wellness and capability, and (4) such other information as the Treasurer
 116 deems relevant.

117 Sec. 8. (NEW) (*Effective July 1, 2021*) Upon the birth of a designated
 118 beneficiary, the Treasurer shall transfer five thousand dollars from the
 119 General Fund to the trust to be credited toward the accounting of such
 120 designated beneficiary as described in section 7 of this act.

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
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	New section
Sec. 8	<i>July 1, 2021</i>	New section

Statement of Purpose:

To establish the Connecticut Baby Bond Trust.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]