
OLR Bill Analysis

HB 5146

AN ACT CONCERNING DISCLOSURES OF FINANCIAL RECORDS.

SUMMARY

This bill requires financial institutions to provide customer financial records to the Department of Social Services (DSS) commissioner, or anyone deputized by her, within 20 calendar days after receiving a certificate signed by either. Current law does not impose a specific deadline, but instead generally requires anyone with information about someone's eligibility for certain state aid, care, or child enforcement services (e.g., Medicaid and child support payment collections) to disclose it when presented with a signed certificate by, among others, the social services commissioner or anyone deputized by her (CGS § 17b-137(a)).

Beyond the above deadline addition, the bill also changes two banking laws to conform with this social services law. Under these laws currently, financial institutions (1) are generally prohibited from disclosing a customer's financial records to anyone other than the customer or his or her agent unless, among other exceptions, the institution does so in response to a signed certificate by the administrative services or social services commissioners, and (2) must disclose financial records according to a signed certificate from either. The bill expressly adds references to people deputized by either commissioner as having authority to sign the certificates under these laws.

Under existing law and the bill, it is a class C misdemeanor (punishable by up to three months in prison, up to a \$500 fine, or both) for (1) any financial institution officer or employee to knowingly and willfully furnish financial records in violation of the above banking laws and (2) anyone to knowingly and willfully induce or attempt to induce

any financial institution officer or employee to disclose financial records in violation of the same. However, these penalty laws do not apply to the 20-day deadline established under the bill.

EFFECTIVE DATE: October 1, 2024

APPLICABILITY

The bill applies to any “financial institution,” which is a bank, Connecticut credit union, federal credit union, out-of-state bank that maintains a branch in this state, or out-of-state credit union that maintains an office in this state. By law, “financial records” are any physical or electronic originals or copies of:

1. a document granting signature authority over a deposit account or a share account with a financial institution;
2. a statement, ledger card, or other record on any deposit account or share account with a financial institution that shows each transaction in or with respect to that account;
3. any check, draft, or money order drawn on a financial institution or issued and payable by it; or
4. any item, other than an institutional or periodic charge, made pursuant to any agreement by a financial institution and a customer that constitutes a debit or credit to that person’s deposit account or share account with the institution if the item is not included as a check, draft, or money order above (CGS § 36a-41).

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 11 Nay 1 (03/12/2024)