



General Assembly

**Substitute Bill No. 6659**

January Session, 2021



**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, each as prescribed by the Treasurer: (A) Education of a  
8 designated beneficiary; (B) purchase of a home in Connecticut by a  
9 designated beneficiary; (C) investment in a business in Connecticut by  
10 a designated beneficiary; or (D) any investment in financial assets or  
11 personal capital that provides long-term gains to wages or wealth; 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 assets of the  
50 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

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

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

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

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

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

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

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

107       (c) A designated beneficiary may submit a claim for such accounting  
108 until his or her thirtieth birthday, as prescribed by the Treasurer,

