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## OLR Bill Analysis

### SB 849

#### ***AN ACT CONCERNING THE LEARN HERE, LIVE HERE PROGRAM.***

#### **SUMMARY**

This bill requires the Department of Economic and Community Development (DECD) commissioner, in consultation with the Department of Revenue Services (DRS) commissioner and Connecticut State Colleges and Universities (CSCU) president, to establish the Learn Here, Live Here program by October 1, 2023. Current law allows these officials to establish the program, but in practice they have not done so.

Under current law, the Learn Here, Live Here program, if established, allows eligible graduates to segregate a portion of their income tax payments and use them later for a down payment on the purchase of their first home in Connecticut. In mandating the program's establishment, the bill generally retains the program parameters in current law, except that it:

1. increases, from \$1 million to \$5 million, the cap on the aggregate amount of income tax payments that may be segregated annually under the program;
2. extends eligibility to graduates of in-state public and private high schools (current law generally limits eligibility to graduates of in-state postsecondary institutions, see BACKGROUND); and
3. limits eligibility to people whose annual federal adjusted gross income is \$75,000 or less (current law does not have an income limit).

The bill also makes conforming changes to the program's implementation deadlines. Under current law, the program must be open to eligible students who graduate on or after January 1, 2014, from

eligible institutions. The bill instead opens it to eligible students who graduate on or after January 1, 2024. It similarly delays, from January 1, 2014, to January 1, 2024, the date by which the DRS commissioner must begin segregating participating graduates' income tax payments. The bill also requires the DECD commissioner to (1) develop a comprehensive public education program by December 1, 2023, and (2) implement it by January 1, 2024.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except that a conforming change is effective October 1, 2023.

## **BACKGROUND**

### ***Program Requirements***

Once activated, the law allows participating graduates to segregate up to \$2,500 per year from their income tax payments for up to 10 years after graduation into the Connecticut first-time homebuyers account. A participant may apply to the DECD commissioner to withdraw some or all of the funds for a down payment any time within 10 years after graduation, and any balance remaining after 10 years must be deposited in the General Fund. If the participant does not withdraw any funds after 10 years, the entire amount must be deposited in the General Fund. If the participant moves out of Connecticut within five years after receiving funds for a down payment, he or she must repay the amount received on a prorated basis (e.g., 40% of the amount received for departures within four years after the payment).

### ***Eligibility***

The Learn Here, Live Here program is designed to help students graduating from specific educational institutions save money toward the purchase of their first home in Connecticut. Under current law, the program, once activated, is open to students graduating from regional technical schools, public or private universities and colleges in Connecticut, and health care training schools located here. The latter includes medical or dental schools, chiropractic colleges, optometry schools or colleges, chiropody or podiatry schools or colleges,

occupational therapy schools, hospital-based occupational schools, naturopathy schools or colleges, dental hygiene schools, physical therapy schools, and any other healing arts school or institution.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable

Yea 24 Nay 0 (03/14/2023)