



# Senate

General Assembly

**File No. 170**

January Session, 2025

Senate Bill No. 1255

*Senate, March 20, 2025*

The Committee on Banking reported through SEN. MILLER of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING THE COMMUNITY BANK AND COMMUNITY CREDIT UNION INVESTMENT PROGRAM ESTABLISHED BY THE STATE TREASURER.***

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

1 Section 1. Section 3-24j of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 As used in this section and sections 3-24k and 3-24l:

4 (1) "Community bank" means a bank [and trust company, savings  
5 bank or savings and loan association chartered or organized under the  
6 laws of this state] or out-of-state bank, as those terms are defined in  
7 section 36a-2; and

8 (2) "Community credit union" means a [cooperative, nonprofit  
9 financial institution that (A) is organized under chapter 667 and the  
10 membership of which is limited as provided in section 36a-438a, (B)  
11 operates for the benefit and general welfare of its members with the  
12 earnings, benefits or services offered being distributed to or retained for

13 its members, and (C) is governed by a volunteer board of directors  
14 elected by and from its membership] Connecticut credit union or federal  
15 credit union, as those terms are defined in section 36a-2.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	July 1, 2025	3-24j
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**BA**      *Joint Favorable*

*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:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Various	Various - Uncertain	See Below	See Below

Note: Various=Various

**Municipal Impact:** None

### **Explanation**

The bill expands eligibility for participation in the Treasurer's Community Bank and Community Credit Union programs. The impact of those changes is uncertain, as it will depend on whether there are increased investments in community banks and credit unions because of the changes and any difference between investment returns generated by the expanded programs and other short term cash flow investments. Any impacts would be to various funds that are invested within the short-term investment markets.

### **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to participation in the related programs.

**OLR Bill Analysis****SB 1255*****AN ACT CONCERNING THE COMMUNITY BANK AND COMMUNITY CREDIT UNION INVESTMENT PROGRAM ESTABLISHED BY THE STATE TREASURER.*****SUMMARY**

The bill increases the pool of financial institutions eligible to participate in the treasurer's Community Bank and Credit Union Initiative by (1) adding federal banks and out-of-state banks and (2) reinstating federal credit unions, which were removed by PA 23-126.

Under this initiative, the treasurer has the authority to invest up to \$300 million, based on available cash, with community banks and community credit unions (CGS § 3-24k). The financial institutions participating in the initiative originate loans to individuals and small-to-medium sized companies and provide banking services in underserved markets.

EFFECTIVE DATE: July 1, 2025

**COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea 12    Nay 0    (03/06/2025)