

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-1401

AN ACT ESTABLISHING DISASTER SAVINGS ACCOUNTS AND A RELATED

Title: TAX DEDUCTION AND CREDIT.

Vote Date: 3/11/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/4/2025

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

The Banking Committee

REASONS FOR BILL:

The financial burden that follows a natural disaster or emergency can be a devastating realization, adding to the suffering a family is already experiencing. This bill establishes a savings account and tax deduction for disaster relief to help residents of Connecticut be financially prepared in the event of a natural disaster.

SUBSTITUTE LANGUAGE:

The substitute language in this bill makes it so that only one disaster savings account can be opened and designates a disaster savings account when it is first opened.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

Thomas Mongellow, Connecticut Bankers Association, CEO: He explained that this bill would allow Connecticut residents to open an interest-bearing savings account to help them prepare financially in case their home is damaged or destroyed by a natural disaster. He added that employers of homeowners could also contribute to these accounts by matching up to 10%, with a maximum of \$2,500, and would receive a tax deduction.

NATURE AND SOURCES OF OPPOSITION:

None Expressed.

Reported by: Morgan Dlugoleski

Date: 03/12/2025