



General Assembly

February Session, 2026

Raised Bill No. 216

LCO No. 1065



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT CONCERNING THE COMMUNITY BANK AND 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 Section 3-24k of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2026*):

3 (a) The State Treasurer may establish a program under which the
4 State Treasurer may, based on cash availability, make available a pool
5 of funds not exceeding three hundred million dollars for investment
6 with eligible community banks and community credit unions. Such
7 funds shall be obtained from the state's operating cash managed by the
8 State Treasurer.

9 (b) (1) The State Treasurer shall establish eligibility criteria for any
10 program established under subsection (a) of this section. Such eligibility
11 criteria shall include, at a minimum, an asset limit for community banks
12 and community credit unions to participate in such program. Such asset
13 limit shall provide that: (A) During the period beginning July 1, 2023,
14 and ending September 29, 2024, no community bank or community

15 credit union with assets exceeding two billion dollars may participate in
16 such program; and (B) beginning September 30, 2024, no community
17 bank or community credit union may participate in such program if
18 such community bank's or community credit union's assets exceed the
19 sum of (i) the preceding asset limit established by the State Treasurer,
20 and (ii) the median percentage loan growth of community banks and
21 community credit unions eligible for the program at the time when the
22 State Treasurer establishes such asset limit. As used in this subsection,
23 "median percentage loan growth" means the middle value representing
24 the percentage increase or decrease, as the case may be, in loan assets
25 over a period of time reflected on the balance sheet of a specified group
26 of lenders.

27 (2) Not later than July 1, 2024, and annually thereafter, the State
28 Treasurer shall provide to the Department of Banking a list of the
29 community banks and community credit unions that are eligible to
30 participate in such program at the time when the State Treasurer
31 provides each such list to the department. Not later than August 31,
32 2024, and annually thereafter, the Department of Banking shall provide
33 to the State Treasurer the median percentage loan growth of each such
34 community bank and community credit union.

35 (c) The State Treasurer shall establish a schedule for making such
36 investments with such banks and credit unions.

37 (d) The State Treasurer shall establish a [competitive bidding]
38 procedure under which such banks and credit unions may [compete]
39 apply for investment-related services under said program. Under such
40 procedure, the State Treasurer may accept rates for such investment-
41 related services that are not greater than one hundred basis points below
42 the previous day's yield for an appropriately comparative United States
43 Treasury security with the same maturity date as the maturity date
44 applicable to such investment-related services, as determined by the
45 State Treasurer.

46 (e) The State Treasurer may establish capital standards for such banks

47 and credit unions wishing to participate in said program.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2026</i>	3-24k
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BA *Joint Favorable*