
OLR Bill Analysis

SB 216

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

SUMMARY

This bill sets the minimum interest rate that the state treasurer may accept for investment-related services under the Community Bank and Credit Union Initiative. Specifically, it sets the minimum rate at 100 basis points (one percentage point) below the previous day's yield for a comparable U.S. Treasury security with the same maturity date as the one applicable to the investment-related services, as determined by the treasurer. The bill also requires that the treasurer select banks and credit unions to participate in the program through an application process, rather than a competitive bidding process as current law requires.

Under this initiative, the treasurer may invest up to \$300 million in Connecticut-based banks and credit unions that meet the applicable asset limits and capital standards'. The financial institutions participating in the initiative make loans to people and small-to-medium sized companies and provide banking services in underserved markets.

EFFECTIVE DATE: October 1, 2026

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 13 Nay 0 (03/10/2026)