

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0432.01 Nicole Myers

HOUSE BILL 10-1040

HOUSE SPONSORSHIP

Kerr A.,

SENATE SPONSORSHIP

(None),

House Committees

Education

Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING DIRECTION TO COLLEGEINVEST TO PROMOTE THE USE OF**
102 **COLLEGE SAVINGS PLANS FOR ADULTS TO SAVE IN PURSUIT OF**
103 **THEIR OWN POSTSECONDARY EDUCATIONAL OPPORTUNITIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Under current law, anyone may open a college savings account (account) through collegeinvest for any beneficiary. The bill specifies that any adult may open an account for the benefit of himself or herself in furtherance of the adult's own postsecondary educational goals

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

(lifelong learner). The bill directs collegeinvest to promote the use of accounts by lifelong learners and to develop and implement procedures to allow an employer to make a matching contribution to a lifelong learner's account for any contribution made by the lifelong learner.

The bill directs collegeinvest to work with the financial institutions that manage the accounts to determine the savings options that would be most beneficial to lifelong learners and also directs the financial institutions to develop and implement a plan to expand the promotion of the college savings program to encourage adults to open accounts and participate as lifelong learners.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 23-3.1-301, Colorado Revised Statutes, is amended
3 to read:

4 **23-3.1-301. Legislative declaration.** (1) The general assembly
5 hereby finds, determines, and declares that a choice of education
6 opportunities will benefit the residents of the state of Colorado and that
7 the establishment of a college savings program, to be administered by
8 collegeinvest, will enhance the availability of postsecondary educational
9 opportunities for residents. It is the intent of the general assembly to
10 achieve this purpose through a public-private partnership using selected
11 financial institutions to serve as account holders and managers of
12 individual college savings accounts.

13 (2) THE GENERAL ASSEMBLY FURTHER FINDS, DETERMINES, AND
14 DECLARES THAT THE COLLEGE SAVINGS PROGRAM ADMINISTERED BY
15 COLLEGEINVEST OR ANY SUCCESSOR ORGANIZATION CAN ENHANCE THE
16 AVAILABILITY OF POSTSECONDARY EDUCATIONAL OPPORTUNITIES FOR
17 ADULTS WHO ARE ALREADY IN THE WORKFORCE AND THEREFORE
18 ENCOURAGES ADULTS TO TAKE ADVANTAGE OF THE COLLEGE SAVINGS
19 PROGRAM TO FURTHER THEIR OWN LIFELONG LEARNING GOALS.

20 **SECTION 2.** 23-3.1-302 (4), Colorado Revised Statutes, is

1 amended, and the said 23-3.1-302 is further amended BY THE
2 ADDITION OF A NEW SUBSECTION, to read:

3 **23-3.1-302. Definitions.** As used in this part 3, unless the context
4 otherwise requires:

5 (4) "Designated beneficiary" or "beneficiary" means, with respect
6 to an account, the person designated at the time the account is opened, or
7 the person who replaces a designated beneficiary, as the person whose
8 education expenses are expected to be paid from the account. A
9 DESIGNATED BENEFICIARY OR BENEFICIARY MAY BE AN ADULT AND MAY
10 BE THE ACCOUNT OWNER.

11 (7.5) "LIFELONG LEARNER" MEANS AN ACCOUNT OWNER WHO IS
12 ALSO THE ACCOUNT BENEFICIARY AND WHO OPENS AN ACCOUNT IN
13 PURSUIT OF HIS OR HER OWN POSTSECONDARY EDUCATIONAL
14 OPPORTUNITIES.

15 **SECTION 3.** 23-3.1-304 (1) (n), Colorado Revised Statutes, is
16 amended, and the said 23-3.1-304 (1) is further amended BY THE
17 ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

18 **23-3.1-304. Authority - purpose - powers - duties.** (1) In
19 addition to any other powers or duties specifically granted to the authority
20 in part 2 of this article and in this part 3, the authority shall:

21 (n) ~~Do all things necessary and convenient to carry out the~~
22 ~~purposes of this part 3.~~ DEVELOP AND IMPLEMENT A PLAN TO PROMOTE
23 THE USE OF ACCOUNTS BY ADULTS AS LIFELONG LEARNERS;

24 (o) DEVELOP AND IMPLEMENT PROCEDURES TO ALLOW AN
25 EMPLOYER TO MAKE A MATCHING CONTRIBUTION TO A LIFELONG
26 LEARNER'S ACCOUNT FOR ANY CONTRIBUTION MADE BY THE LIFELONG
27 LEARNER; EXCEPT THAT ANY EMPLOYER MATCHING CONTRIBUTION SHALL

1 BE SUBTRACTED FROM FEDERAL TAXABLE INCOME PURSUANT TO SECTION
2 39-22-104 (4) (o), C.R.S.; AND

3 (p) DO ALL THINGS NECESSARY AND CONVENIENT TO CARRY OUT
4 THE PURPOSES OF THIS PART 3.

5 **SECTION 4.** 23-3.1-305, Colorado Revised Statutes, is amended
6 BY THE ADDITION OF A NEW SUBSECTION to read:

7 **23-3.1-305. Financial institutions - managers - purpose -**
8 **selection - requirements - contracts.** (10) THE AUTHORITY SHALL
9 WORK WITH THE MANAGERS OF THE PROGRAM IN PLACE ON THE EFFECTIVE
10 DATE OF THIS SUBSECTION (10) AND ANY FUTURE MANAGERS TO
11 DETERMINE THE MOST EFFECTIVE SAVINGS OPTIONS OFFERED BY THE
12 MANAGERS FOR ACCOUNT OWNERS WHO ARE LIFELONG LEARNERS. EACH
13 MANAGER OF THE PROGRAM THAT PROMOTES THE PROGRAM PURSUANT TO
14 PARAGRAPH (f) OF SUBSECTION (6) OF THIS SECTION SHALL DEVELOP AND
15 IMPLEMENT A PLAN TO EXPAND THE PROMOTION OF THE PROGRAM TO
16 ENCOURAGE ADULTS TO PARTICIPATE IN THE PROGRAM AS LIFELONG
17 LEARNERS IN PURSUIT OF THEIR OWN POSTSECONDARY EDUCATIONAL
18 OPPORTUNITIES.

19 **SECTION 5.** The introductory portion to 23-3.1-306 (1),
20 Colorado Revised Statutes, is amended to read:

21 **23-3.1-306. Accounts - contributions - withdrawals - penalties**
22 **- statements.** (1) The program shall be operated through the use of
23 accounts. An account may be opened by any person who desires to save
24 for the qualified higher education expenses of a potential beneficiary,
25 INCLUDING HIMSELF OR HERSELF AS A LIFELONG LEARNER, by satisfying
26 each of the following requirements:

27 **SECTION 6.** 39-22-104 (4), Colorado Revised Statutes, is

1 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

2 **39-22-104. Income tax imposed on individuals, estates, and**
3 **trusts - single rate - definitions - repeal.** (4) There shall be subtracted
4 from federal taxable income:

5 (o) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
6 1, 2011, AN AMOUNT EQUAL TO ANY AMOUNT RECEIVED AS EMPLOYER
7 MATCHING CONTRIBUTIONS TO A LIFELONG LEARNER'S INDIVIDUAL TRUST
8 ACCOUNT OR SAVINGS ACCOUNT MADE PURSUANT TO PART 3 OF ARTICLE
9 3.1 OF TITLE 23, C.R.S.

10 **SECTION 7. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.