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SENATE BILL 10-202

BY SENATOR(S) Whitehead, Bacon, Boyd, Carroll M., Heath, Newell, Shaffer B., Steadman; also REPRESENTATIVE(S) Kerr A., Apuan, Court, Fischer, Pace, Todd, Carroll T.

CONCERNING SAVINGS ACCOUNTS FOR JOB RETRAINING.

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

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

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

(2) THE GENERAL ASSEMBLY FURTHER FINDS, DETERMINES, AND

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

DECLARES THAT THE COLLEGE SAVINGS PROGRAM CAN ENHANCE THE AVAILABILITY OF POSTSECONDARY EDUCATIONAL OPPORTUNITIES FOR ADULTS WHO ARE ALREADY IN THE WORKFORCE AND THEREFORE ENCOURAGES ADULTS TO TAKE ADVANTAGE OF THE COLLEGE SAVINGS PROGRAM TO FURTHER THEIR OWN POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND JOB RETRAINING GOALS.

SECTION 2. 23-3.1-302 (4), Colorado Revised Statutes, is amended, and the said 23-3.1-302 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

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

(2.5) "ADULT LEARNER" MEANS AN ACCOUNT OWNER WHO IS ALSO THE ACCOUNT BENEFICIARY AND WHO OPENS AN ACCOUNT IN PURSUIT OF HIS OR HER OWN POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND JOB RETRAINING GOALS.

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

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

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

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

(o) DEVELOP AND IMPLEMENT PROCEDURES TO ALLOW AN EMPLOYER TO MAKE A MATCHING CONTRIBUTION TO AN ADULT LEARNER'S ACCOUNT

FOR ANY CONTRIBUTION MADE BY THE ADULT LEARNER; EXCEPT THAT ANY EMPLOYER MATCHING CONTRIBUTION SHALL BE SUBTRACTED FROM FEDERAL TAXABLE INCOME PURSUANT TO SECTION 39-22-104 (4) (o), C.R.S., TO THE EXTENT THAT THE CONTRIBUTION IS INCLUDED IN FEDERAL TAXABLE INCOME;

(p) DEVELOP PROCEDURES TO PROVIDE COLLEGE PLANNING AND PREPARATION FOR ADULT LEARNERS THROUGH THE STATE-PROVIDED, FREE RESOURCE COMMONLY REFERRED TO AS "COLLEGE IN COLORADO";

(q) DEVELOP PROCEDURES FOR COORDINATING WITH THE DEPARTMENT OF LABOR AND EMPLOYMENT TO MAKE INFORMATION REGARDING ACCOUNTS FOR ADULT LEARNERS AVAILABLE TO POTENTIAL PARTICIPANTS;

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

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

23-3.1-305. Financial institutions - managers - purpose - selection - requirements - contracts. (10) THE AUTHORITY SHALL WORK WITH THE MANAGERS OF THE PROGRAM IN PLACE ON THE EFFECTIVE DATE OF THIS SUBSECTION (10) AND ANY FUTURE MANAGERS TO DETERMINE THE MOST EFFECTIVE SAVINGS OPTIONS OFFERED BY THE MANAGERS FOR ACCOUNT OWNERS WHO ARE ADULT LEARNERS. EACH MANAGER OF THE PROGRAM THAT PROMOTES THE PROGRAM PURSUANT TO PARAGRAPH (f) OF SUBSECTION (6) OF THIS SECTION SHALL DEVELOP AND IMPLEMENT A PLAN TO EXPAND THE PROMOTION OF THE PROGRAM TO ENCOURAGE ADULT LEARNERS TO PARTICIPATE IN THE PROGRAM IN PURSUIT OF THEIR OWN POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND JOB RETRAINING GOALS.

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

23-3.1-306. Accounts - contributions - withdrawals - penalties - statements. (1) The program shall be operated through the use of accounts. An account may be opened by any person who desires to save for

the qualified higher education expenses of a potential beneficiary, INCLUDING HIMSELF OR HERSELF AS AN ADULT LEARNER, by satisfying each of the following requirements:

SECTION 6. Part 3 of article 3.1 of title 23, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

23-3.1-310. Job retraining cash fund - repeal. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE JOB RETRAINING CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND SHALL CONSIST OF:

(a) MONEYS TRANSFERRED TO THE FUND FROM THE PROCEEDS OF THE SALE OF THE LOAN ASSETS OF THE AUTHORITY PURSUANT TO SECTION 23-3.1-205.4 (1) (c); AND

(b) ANY GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES THAT THE AUTHORITY IS HEREBY AUTHORIZED TO SEEK AND ACCEPT.

(2) (a) (I) ON OR BEFORE OCTOBER 1, 2010, THE STATE TREASURER SHALL DEDUCT THIRTY-THREE THOUSAND DOLLARS FROM THE FUND AND TRANSFER SUCH SUM TO THE GENERAL FUND.

(II) ON OR BEFORE JULY 1, 2011, THE STATE TREASURER SHALL DEDUCT THIRTY-THREE THOUSAND DOLLARS FROM THE FUND AND TRANSFER SUCH SUM TO THE GENERAL FUND.

(III) ON OR BEFORE JULY 1, 2012, THE STATE TREASURER SHALL TRANSFER THE BALANCE OF THE FUND TO THE GENERAL FUND.

(b) THE TRANSFERS TO THE GENERAL FUND PURSUANT TO THIS SUBSECTION (2) SHALL ASSIST IN DEFRAYING THE COSTS TO THE STATE OF IMPLEMENTING SENATE BILL 10-202, ENACTED IN 2010.

(3) ALL MONEYS IN THE FUND NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE FUND, SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

(4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2013.

SECTION 7. Part 3 of article 3.1 of title 23, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

23-3.1-310. Job retraining cash fund - repeal. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE JOB RETRAINING CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND SHALL CONSIST OF:

(a) MONEYS TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (2) OF THIS SECTION; AND

(b) ANY GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES THAT THE AUTHORITY IS HEREBY AUTHORIZED TO SEEK AND ACCEPT.

(2) ON OR BEFORE SEPTEMBER 30, 2010, THE STATE TREASURER SHALL TRANSFER TO THE FUND ONE HUNDRED THOUSAND DOLLARS FROM THE PROCEEDS OF THE SALE OF THE LOAN ASSETS OF THE AUTHORITY.

(3) (a) (I) ON OR BEFORE OCTOBER 1, 2010, THE STATE TREASURER SHALL DEDUCT THIRTY-THREE THOUSAND DOLLARS FROM THE FUND AND TRANSFER SUCH SUM TO THE GENERAL FUND.

(II) ON OR BEFORE JULY 1, 2011, THE STATE TREASURER SHALL DEDUCT THIRTY-THREE THOUSAND DOLLARS FROM THE FUND AND TRANSFER SUCH SUM TO THE GENERAL FUND.

(III) ON OR BEFORE JULY 1, 2012, THE STATE TREASURER SHALL TRANSFER THE BALANCE OF THE FUND TO THE GENERAL FUND.

(b) THE TRANSFERS TO THE GENERAL FUND PURSUANT TO THIS SUBSECTION (3) SHALL ASSIST IN DEFRAYING THE COSTS TO THE STATE OF IMPLEMENTING SENATE BILL 10-202, ENACTED IN 2010.

(4) ALL MONEYS IN THE FUND NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE FUND, SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2013.

SECTION 8. 39-22-104 (4), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

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

SECTION 9. Specified effective date. (1) This act shall take effect upon passage; except that:

(a) Section 6 of this act shall take effect upon passage only if House Bill 10-1428 is enacted and becomes law; and

(b) Section 7 of this act shall take effect upon passage only if House Bill 10-1428 is not enacted.

SECTION 10. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO