

HOUSE BILL 1931

By White M

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 7, Part 8; Title 55, Chapter 4; Title 67, Chapter 2 and Title 67, Chapter 4, relative to the baccalaureate education system trust fund program.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-805(4), is amended by deleting the language in the subsection in its entirety and substituting instead the following:

(4) Contract for the provision of all or any part of the services necessary for the management and operation of the program. The board may also contract with any other college savings program established pursuant to § 529 of the Internal Revenue Code, codified in 26 U.S.C. § 529, in order to provide similar benefits for Tennessee residents. The board may further establish, or contract for the establishment of, an incentive plan or plans to encourage Tennessee residents to participate in any such other college savings program or in any § 529 college savings program established by the state. The board may delegate to the state treasurer the authority to implement such incentives; such implementation shall include, but not be limited to determining the amount of the incentives not to exceed an amount approved by the board, the length of time the incentives will be available and the method by which the incentives will be provided. Through the board's delegation, the state treasurer may establish and administer a plan to implement the incentives which the state treasurer may change from time to time without additional board authorization. The incentive plan or plans may consist, in whole or in part, of rebates, grants, scholarships or tax incentives with respect to individual savings accounts established by or on behalf of Tennessee residents in any such

college savings program and tax incentives, including but not limited to, the income tax prescribed in § 67-2-102; the professional privilege tax prescribed in § 67-4-1702; the passenger motor vehicle registration renewal fee prescribed in title 55, chapter 4, and/or wheel tax prescribed in § 7-51-703, for Tennessee residents who establish individual savings accounts in any such college savings program. The board may approve the expenditure of such funds, or funds using other services or programs deemed necessary or appropriate by the board to encourage college savings by Tennessee residents within its approved annual budget. The state treasurer is authorized, but not required, to use forms of electronic payment, including, but not limited to, prepaid debit cards to provide such incentives. Notwithstanding this subdivision (4) or any other law to the contrary, the availability of the amount of the incentive or the cost to cover any other services or programs authorized by this subdivision (4) if intended to be funded by state funds shall be subject to the appropriation of funds in the general appropriations act for the purposes set forth in this subdivision (4) or from any amount collected by the board under subdivision (7);

SECTION 2. Tennessee Code Annotated, Section 49-7-805(12), is amended by deleting the subsection in its entirety and substituting it with the following language:

(12) Impose limits on the amount of contributions that may be made on behalf of any beneficiary under the educational savings plan or plans;

SECTION 3. Tennessee Code Annotated, Section 49-7-808(c), is amended by deleting the subsection in its entirety and substituting it with the following language:

(c) The board shall develop a plan or plans for offering educational savings accounts. The plan or plans shall include, but shall not be limited to, the vehicles for investing the contributions made to the accounts and the date on which the savings accounts shall be offered. The board may impose and collect administrative fees and charges in connection with the creation and maintenance of the accounts.

SECTION 4. Tennessee Code Annotated, Title 55, Chapter 4, Part 1, is amended by adding the following language as a new, appropriately designated section:

( ) The department shall assist the board of trustees of the baccalaureate education system trust fund program in the implementation of a passenger motor vehicle registration and/or wheel tax incentive established under § 49-7-805(4), which shall include, but not be limited to including college savings plan incentive inserts in the department's motor vehicle registration notifications, providing college savings plan incentives information with any website renewal, sending other notifications about college savings incentives by electronic means, and providing information about college savings incentives through any other web-based means.

( ) For any insert included in the mailing of renewal notices which causes the total postal weight to be over one ounce (1 oz.) as permitted by the United States postal service, the board of trustees of the baccalaureate education system trust fund program shall pay the increased cost of mailing.

SECTION 5. Tennessee Code Annotated, Title 67, Chapter 2, Part 1, is amended by adding the following language as a new, appropriately designated section:

( ) The department shall assist the board of trustees of the baccalaureate education system trust fund program in the implementation of an income tax incentive established under § 49-7-805(4), which shall include, but not be limited to including college savings plan incentive inserts in the department's income tax notifications, providing college savings plan incentives information with any website tax payment form, sending other notifications about college savings incentives by electronic means, and providing information about college savings incentives through any other web-based means.

( ) For any insert included in the mailing of renewal notices which causes the total postal weight to be over one ounce (1 oz.) as permitted by the United States postal

service, the board of trustees of the baccalaureate education system trust fund program shall pay the increased cost of mailing.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 4, Part 17, is amended by adding the following language as a new, appropriately designated section:

( ) The department shall assist the board of trustees of the baccalaureate education system trust fund program in the implementation a professional privilege tax incentive established under § 49-7-805(4), which shall include, but not be limited to including college savings plan incentive inserts in the department's professional privilege tax notifications, providing college savings plan incentives information with any website tax payment form, sending other notifications about college savings incentives by electronic means, and providing information about college savings incentives through any other web-based means.

( ) For any insert included in the mailing of renewal notices which causes the total postal weight to be over one ounce (1 oz.) as permitted by the United States postal service, the board of trustees of the baccalaureate education system trust fund program shall pay the increased cost of mailing.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.