

Amendments to Senate Bill No. 328
1st Reading Copy

Requested by Senator Llew Jones

For the Senate Education and Cultural Resources Committee

Prepared by Padraic McCracken
February 20, 2015 (2:17pm)

1. Title, page 1, line 10.

Strike: "AN"

Strike: "DATE"

Insert: "DATES AND A TERMINATION DATE"

2. Page 1, line 14.

Strike: "4"

Insert: "5]"

3. Page 1, line 17.

Strike: "4"

Insert: "5"

4. Page 1, line 26.

Strike: "4"

Insert: "5"

5. Page 3, line 7.

Strike: "Funds"

Insert: "The commissioner shall distribute funds"

Strike: "may be spent only on"

Insert: "only to the designated beneficiary or the designated beneficiary's parent for"

6. Page 3, line 17.

Insert: "NEW SECTION. **Section 5. Education is the best bet savings account program -- administration.** (1) There is an education is the best bet savings account program administered by the commissioner of higher education.

(2) (a) A resident child of Montana is eligible to have an account established on the child's behalf on the child's birth or adoption. An account must be established only:

(i) on a parent's request for the establishment indicated on the child's Montana birth registry form; or

(ii) under conditions established by the commissioner of higher education that allow for the establishment of an account for residents of Montana who become adoptive parents or give birth outside the state of Montana.

(b) The commissioner shall ensure that residents of Montana who become parents under subsection (2) (a) (ii) have the

opportunity to learn about the program and request the establishment of an account.

(c) If an adopted child already has an established account, a second account may not be established; however, in this circumstance, the commissioner shall transfer an amount equal to the amount contributed to the child's family education savings account within 1 year of the child's adoption, with the total lifetime state contribution to the account not to exceed \$200.

(3) There is a higher education generation account within the state special revenue fund created in 17-2-102. The higher education generation account is administered by the commissioner of higher education.

(4) Upon the establishment of an education is the best bet account, the commissioner shall transfer \$25 from the higher education generation account to the child's education is the best bet account.

(5) For the first 2 years of a child's life, the commissioner shall transfer an amount equal to the amount contributed to the child's family education savings account from the higher education generation account to the child's education is the best bet account. The total state contribution to a child's account may not exceed \$100 per year, including the initial \$25.

(6) A child's education is the best bet account must remain separate from the child's family education savings account and must be invested as determined by the commissioner of higher education. The commissioner of higher education shall distribute interest earnings in proportion to the balances of individual accounts. Only the funds transferred under subsections (4) and (5) and interest earnings may be deposited in an education is the best bet account.

(7) A child's education is the best bet account must be closed and any funds in the account transferred to the higher education generation account under any of the following circumstances:

(a) if, on the child's second birthday, a family education savings account has not been established on behalf of the child with a contribution of at least \$25; or

(b) if the child's family education savings account is closed, the designated beneficiary is changed, or funds are withdrawn for expenses other than qualified higher education expenses leaving a balance of less than the balance of the child's education is the best bet account.

(8) (a) The designated beneficiary of an education is the best bet account may not be changed.

(b) The commissioner shall distribute funds in an education is the best bet account only to the designated beneficiary or the designated beneficiary's parent for qualified higher education expenses, as defined in 15-62-103, that were incurred within a unit of the Montana university system.

(c) (i) The commissioner may accept donations from private

sources for distribution to the designated beneficiary or the designated beneficiary's parent for qualified higher education expenses, as defined in 15-62-103, that were incurred at a higher education institution, as defined in 15-62-103, that is not within a unit of the Montana university system.

(ii) The distributions under subsection (8)(c)(i) may not exceed the balance of the designated beneficiary's education is the best bet account.

(iii) When a designated beneficiary of an education is the best bet account receives distributions under subsection (8)(c)(i) totaling the balance of the account, the designated beneficiary's account must be closed and any funds in the account must be transferred to the higher education generation account.

(iv) An individual receiving distributions under subsection (8)(b) is not eligible for distributions under this subsection (8)(c).

(9) The commissioner shall market the education is the best bet savings account program to ensure widespread awareness. The marketing effort must include program information distributed to a parent of a Montana resident child following the parent's request to establish an account and 60 days prior to the child's first and second birthdays. The commissioner shall inform parents of the account balance annually.

(10) The commissioner may spend no more than 5% of any funds transferred to the higher education generation account on administering and marketing the program.

(11) The commissioner shall adopt policies for the administration of the education is the best bet savings account program."

Renumber: subsequent sections

7. Page 6, line 27.

Strike: "4"

Insert: "5"

8. Page 6, line 30.

Strike: "4"

Insert: "5"

9. Page 7, line 2.

Strike: "4"

Insert: "5"

10. Page 7, line 3.

Insert: "NEW SECTION. **Section 9. {standard} Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications."

11. Page 7, line 4.

Strike: section 8 in its entirety

"NEW SECTION. Section 10. Effective date -- contingent effective date -- contingent termination date. (1) Except as provided in subsections (2) and (3), [this act] is effective July 1, 2015.

(2) [Section 4] terminates if [section 4] is found to be invalid or unconstitutional as provided for in subsection (3).

(3) [Section 5] is effective contingent on a final court ruling that [section 4] is invalid or unconstitutional. If [section 4] is found to be invalid or unconstitutional, the department of justice shall notify the code commissioner when the contingency has been met.

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