



2005 SENATE BILL 661

March 7, 2006 - Introduced by Senators DARLING and PLALE, cosponsored by Representatives MUSSER, ALBERS and JESKEWITZ. Referred to Committee on Higher Education and Tourism.

1 **AN ACT** *to amend* 14.65 (1), 20.585 (2) (t) (title), 20.585 (2) (tm) (title), 25.17 (1)
2 (ax), 25.17 (2) (f) and 25.85; and *to create* 20.585 (2) (u), 20.585 (2) (um), 20.585
3 (2) (v), 20.585 (2) (vm), 25.14 (1) (a) 15b., 25.14 (1) (a) 15d., 25.17 (1) (ay), 25.17
4 (1) (az), 25.853 and 25.855 of the statutes; **relating to:** the establishment of a
5 college savings program bank deposit trust fund and a college savings program
6 credit union deposit trust fund and making appropriations.

Analysis by the Legislative Reference Bureau

Under current law, the College Savings Program Board (board) administers a college savings program, commonly referred to as "EdVest," under which a person may establish and contribute money to a college savings account to cover the college expenses of a beneficiary. As part of EdVest, current law establishes a college savings program trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts and from distributions and fees paid by the vendors of those accounts.

This bill establishes a college savings program bank deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account held by a state or national bank, a state or federal savings bank, a state or federal savings and loan association, or a savings and trust company that has its main or home office or a branch office located in this state and that is insured by the Federal Deposit

SENATE BILL 661

Insurance Corporation, and all revenue from distributions and fees paid by the vendors of those investment instruments. The bill also establishes a college savings program credit union deposit trust fund, consisting of all revenue from enrollment fees for and contributions to college savings accounts in which the investment instrument is an account held by a state or federal credit union, including a corporate central credit union, that has its main or home office or a branch office located in this state and that is insured by the National Credit Union Administration, and all revenue from distributions and fees paid by the vendors of those investment instruments.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 14.65 (1) of the statutes is amended to read:

2 14.65 (1) The secretary of administration shall transfer from the tuition trust

3 fund or, the college savings program trust fund, the college savings program bank

4 deposit trust fund, or the college savings program credit union deposit trust fund to

5 the general fund an amount equal to the amount expended from the appropriations

6 under s. 20.505 (9) (a), 1995 stats., s. 20.585 (2) (a), 2001 stats., and s. 20.585 (2) (am),

7 2001 stats., when the secretary of administration determines that funds in the

8 tuition trust fund or the college savings program trust fund those trust funds are

9 sufficient to make the transfer. The secretary of administration may make the

10 transfer in installments.

11 **SECTION 2.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert

12 the following amounts for the purposes indicated:

| | 2005-06 | 2006-07 |
|--|----------------|----------------|
| | | |
| 20.585 Treasurer, state | | |
| (2) COLLEGE TUITION AND EXPENSES AND COLLEGE | | |
| SAVINGS PROGRAMS | | |

SENATE BILL 661**2005-06 2006-07**

| | | | | | |
|---|---------------------------------------|-----|---|-----|-----|
| 1 | (um) Administrative expenses; college | | | | |
| 2 | savings program bank deposit | | | | |
| 3 | trust fund | SEG | A | -0- | -0- |
| 4 | (vm) Administrative expenses; college | | | | |
| 5 | savings program credit union | | | | |
| 6 | deposit trust fund | SEG | A | -0- | -0- |

7 **SECTION 3.** 20.585 (2) (t) (title) of the statutes is amended to read:

8 20.585 **(2)** (t) (title) *Payment of qualified higher education expenses and*
9 *refunds; college savings program trust fund.*

10 **SECTION 4.** 20.585 (2) (tm) (title) of the statutes is amended to read:

11 20.585 **(2)** (tm) (title) *Administrative expenses; college savings program trust*
12 *fund.*

13 **SECTION 5.** 20.585 (2) (u) of the statutes is created to read:

14 20.585 **(2)** (u) *Payment of qualified higher education expenses and refunds;*
15 *college savings program bank deposit trust fund.* From the college savings program
16 bank deposit trust fund, a sum sufficient for the payment of qualified higher
17 education expenses and refunds under s. 14.64 (2) and (3).

18 **SECTION 6.** 20.585 (2) (um) of the statutes is created to read:

19 20.585 **(2)** (um) *Administrative expenses; college savings program bank deposit*
20 *trust fund.* From the college savings program bank deposit trust fund, the amounts
21 in the schedule for the administrative expenses of the college savings program under
22 s. 14.64, including the expense of promoting the program.

23 **SECTION 7.** 20.585 (2) (v) of the statutes is created to read:

SENATE BILL 661

1 20.585 (2) (v) *Payment of qualified higher education expenses and refunds;*
2 *college savings program credit union deposit trust fund.* From the college savings
3 program credit union deposit trust fund, a sum sufficient for the payment of qualified
4 higher education expenses and refunds under s. 14.64 (2) and (3).

5 **SECTION 8.** 20.585 (2) (vm) of the statutes is created to read:

6 20.585 (2) (vm) *Administrative expenses; college savings program credit union*
7 *deposit trust fund.* From the college savings program credit union deposit trust fund,
8 the amounts in the schedule for the administrative expenses of the college savings
9 program under s. 14.64, including the expense of promoting the program.

10 **SECTION 9.** 25.14 (1) (a) 15b. of the statutes is created to read:

11 25.14 (1) (a) 15b. The college savings program bank deposit trust fund.

12 **SECTION 10.** 25.14 (1) (a) 15d. of the statutes is created to read:

13 25.14 (1) (a) 15d. The college savings program credit union deposit trust fund.

14 **SECTION 11.** 25.17 (1) (ax) of the statutes is amended to read:

15 25.17 (1) (ax) College savings program trust fund (s. 25.85), but subject to s.
16 ~~25.17 sub.~~ (2) (f);

17 **SECTION 12.** 25.17 (1) (ay) of the statutes is created to read:

18 25.17 (1) (ay) College savings program bank deposit trust fund (s. 25.853), but
19 subject to sub. (2) (f);

20 **SECTION 13.** 25.17 (1) (az) of the statutes is created to read:

21 25.17 (1) (az) College savings program credit union deposit trust fund (s.
22 25.855), but subject to sub. (2) (f);

23 **SECTION 14.** 25.17 (2) (f) of the statutes is amended to read:

24 25.17 (2) (f) Invest the moneys belonging to the college savings program trust
25 fund, the college savings program bank deposit trust fund, and the college savings

SENATE BILL 661

1 program credit union deposit trust fund in a manner consistent with the guidelines
2 established under s. 14.64 (2) (c), unless the moneys are under the management and
3 control of a vendor selected under s. 16.255. In making investments under this
4 paragraph, the investment board shall accept any reasonable terms and conditions
5 that the college savings program board specifies and is relieved of any obligations
6 relevant to prudent investment of the fund, including the standard of responsibility
7 under s. 25.15 (2).

8 **SECTION 15.** 25.85 of the statutes is amended to read:

9 **25.85 College savings program trust fund.** There is established a separate
10 nonlapsible trust fund designated as the college savings program trust fund,
11 consisting of all revenue from enrollment fees for and contributions to college savings
12 accounts under s. 14.64 and from distributions and fees paid by the vendor under s.
13 16.255 (3) other than revenue from those sources that is deposited in the college
14 savings program bank deposit trust fund or the college savings program credit union
15 deposit trust fund.

16 **SECTION 16.** 25.853 of the statutes is created to read:

17 **25.853 College savings program bank deposit trust fund.** There is
18 established a separate nonlapsible trust fund designated as the college savings
19 program bank deposit trust fund, consisting of all revenue from enrollment fees for
20 and contributions to college savings accounts under s. 14.64 in which the investment
21 instrument is an account held by a state or national bank, a state or federal savings
22 bank, a state or federal savings and loan association, or a savings and trust company
23 that has its main office or home office or a branch office in this state and that is
24 insured by the Federal Deposit Insurance Corporation, and all revenue from

SENATE BILL 661**SECTION 16**

1 distributions and fees paid by the vendors of those investment instruments under s.
2 16.255 (3).

3 **SECTION 17.** 25.855 of the statutes is created to read:

4 **25.855 College savings program credit union deposit trust fund.** There
5 is established a separate nonlapsible trust fund designated as the college savings
6 program credit union deposit trust fund, consisting of all revenue from enrollment
7 fees for and contributions to college savings accounts under s. 14.64 in which the
8 investment instrument is an account held by a state or federal credit union, including
9 a corporate central credit union organized under s. 186.32, that has its main office
10 or home office or a branch office located in this state and that is insured by the
11 National Credit Union Administration, and all revenue from distributions and fees
12 paid by the vendors of those investment instruments under s. 16.255 (3).

13 (END)