

2001 ASSEMBLY BILL 321

1 **AN ACT** *to repeal* 20.585 (2) (r); *to renumber and amend* 20.585 (2) (gm); *to*
2 *amend* 14.63 (6) (b), 14.64 (1) (a), 14.64 (2) (c), 14.64 (3) (e), 20.585 (2) (q) and
3 25.15 (2) (intro.); *to repeal and recreate* 14.63 (3) (a); and *to create* 20.585
4 (2) (t), 25.14 (1) (a) 15., 25.17 (1) (ax), 25.17 (2) (f) and 25.85 of the statutes;
5 **relating to:** the college tuition and expenses program and the college savings
6 program, providing an exemption from emergency rule procedures, and making
7 appropriations.

Analysis by the Legislative Reference Bureau

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

8 **SECTION 1.** 14.63 (3) (a) of the statutes is repealed and recreated to read:
9 14.63 (3) (a) An individual, trust, legal guardian, or entity described under 26
10 USC 529 (e) (1) (C) may enter into a contract with the state treasurer for the sale of
11 tuition units on behalf of a beneficiary.

ASSEMBLY BILL 321**SECTION 2**

1 **SECTION 2.** 14.63 (6) (b) of the statutes is amended to read:

2 14.63 **(6)** (b) The state treasurer shall may terminate a contract under sub. (3)
3 if any of the tuition units purchased under the contract remain unused 10 years after
4 the anticipated academic year of the beneficiary's initial enrollment in an institution
5 of higher education, as specified in the contract.

6 **SECTION 3.** 14.64 (1) (a) of the statutes, as created by 1999 Wisconsin Act 44,
7 is amended to read:

8 14.64 **(1)** (a) "Account owner" means ~~an individual~~ a person who establishes a
9 college savings account under this section.

10 **SECTION 4.** 14.64 (2) (c) of the statutes, as created by 1999 Wisconsin Act 44,
11 is amended to read:

12 14.64 **(2)** (c) ~~Invest the~~ Establish investment guidelines for contributions to
13 college savings accounts and pay distributions to beneficiaries and eligible
14 educational institutions.

15 **SECTION 5.** 14.64 (3) (e) of the statutes, as created by 1999 Wisconsin Act 44,
16 is amended to read:

17 14.64 **(3)** (e) The board shall may terminate a college savings account if any
18 portion of the college savings account balance remains unused 10 years after the
19 anticipated academic year of the beneficiary's initial enrollment in an eligible
20 educational institution.

21 **SECTION 6.** 20.585 (2) (gm) of the statutes, as created by 1999 Wisconsin Act
22 44, is renumbered 20.585 (2) (tm) and amended to read:

23 20.585 **(2)** (tm) *General program operations; reimbursement.* ~~All~~ From the
24 college savings program trust fund, all moneys received from the vendor of the

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1 college savings program under s. ~~16.25~~ 16.255 (3) (a) for general programs
2 operations.

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

4 20.585 (2) (q) *Payment of tuition qualified higher education expenses and*
5 *refunds*. From the tuition trust fund, a sum sufficient for the payment of ~~tuition~~
6 *qualified higher education expenses and refunds* under s. 14.63 (5) and (7).

7 **SECTION 8.** 20.585 (2) (r) of the statutes is repealed.

8 **SECTION 9.** 20.585 (2) (t) of the statutes is created to read:

9 20.585 (2) (t) *College savings program; payment of qualified higher education*
10 *expenses and refunds*. From the college savings program trust fund, a sum sufficient
11 for the payment of qualified higher education expenses and refunds under s. 14.64
12 (2) and (3).

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

14 25.14 (1) (a) 15. The college savings program trust fund.

15 **SECTION 11.** 25.15 (2) (intro.) of the statutes is amended to read:

16 25.15 (2) STANDARD OF RESPONSIBILITY. (intro.) ~~The~~ Except as provided in s.
17 25.17 (2) (f), the standard of responsibility applied to the board when it invests money
18 or property shall be all of the following:

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

20 25.17 (1) (ax) College savings program trust fund (s. 25.85), but subject to s.
21 25.17 (2) (f);

22 **SECTION 13.** 25.17 (2) (f) of the statutes is created to read:

23 25.17 (2) (f) Invest the moneys belonging to the college savings program trust
24 fund, in a manner consistent with the guidelines established under s. 14.64 (2) (c),
25 unless the moneys are under the management and control of a vendor selected under

ASSEMBLY BILL 321**SECTION 13**

1 s. 16.255. In making investments under this paragraph, the investment board shall
2 accept any reasonable terms and conditions that the college savings program board
3 specifies and is relieved of any obligations relevant to prudent investment of the
4 fund, including the standard of responsibility under s. 25.15 (2).

5 **SECTION 14.** 25.85 of the statutes is created to read:

6 **25.85 College savings program trust fund.** There is established a separate
7 nonlapsible trust fund designated as the college savings program trust fund,
8 consisting of all revenue from enrollment fees for and contributions to college savings
9 accounts under s. 14.64 and from distributions and fees paid by the vendor under s.
10 16.255 (3).

11 **SECTION 15. Nonstatutory provisions.**

12 (1) The college savings program board may promulgate emergency rules under
13 section 227.24 of the statutes initially implementing section 14.64 of the statutes.
14 Notwithstanding section 227.24 (1) (c) and (2) of the statutes, the emergency rules
15 may remain in effect until the date on which permanent rules take effect.
16 Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the college savings
17 program board is not required to provide evidence that promulgating an emergency
18 rule under this subsection is necessary to preserve the public peace, health, safety,
19 or welfare and is not required to provide a finding of emergency for a rule
20 promulgated under this subsection.

21 (END)