

2001 Assembly Bill 321

Date of enactment: **May 9, 2001**
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2001 WISCONSIN ACT 7

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

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

SECTION 1. 14.63 (3) (a) of the statutes is repealed and recreated to read:

14.63 (3) (a) An individual, trust, legal guardian, or entity described under 26 USC 529 (e) (1) (C) may enter into a contract with the state treasurer for the sale of tuition units on behalf of a beneficiary.

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

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

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

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

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

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

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

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

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

20.585 (2) (tm) *General program operations; reimbursement.* ~~All~~ From the college savings program trust fund, all moneys received from the vendor of the college savings program under s. ~~16.25~~ 16.255 (3) (a) for general programs operations.

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

20.585 (2) (q) *Payment of ~~tuition~~ qualified higher education expenses and refunds.* From the tuition trust fund, a sum sufficient for the payment of ~~tuition~~ qualified

* Section 991.11, WISCONSIN STATUTES 1999-00 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

higher education expenses and refunds under s. 14.63 (5) and (7).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 15. Nonstatutory provisions.

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