

Report From Agency

STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS

RULE REPORT TO THE LEGISLATURE
Clearinghouse Rule 24-053

Relating to eliminating obsolete provisions, correcting cross-references, eliminating rules that are redundant with statutes, correcting errors, and modifying the structure of existing rules in nonsubstantive ways.

Attached: Proposed rule, fiscal estimate and economic impact analysis, and Clearinghouse report to agency.

Governor's approval: The governor approved this rule on October 3, 2024.

Basis and purpose of the proposed rule: The Department of Financial Institutions – College Savings Program, proposes an order to revise chapter DFI-CSP 1 of the Wisconsin Administrative Code.

The proposed rule order seeks to amend rules administered by the College Savings Program Board (Board) in two nonsubstantive ways:

First, it seeks to repeal or modify certain provisions of chapter DFI-CSP 1 of the Wisconsin Administrative Code that have become obsolete or unauthorized due to changes in 26 U.S.C. 529, the federal law governing qualified tuition programs such as Wisconsin's college savings program. For example, section DFI-CSP 1.01 describes the purpose of the program as enabling participants to invest funds "to pay the cost of attendance at an institution of higher education." While that statement remains accurate in part—many Wisconsin families use the college savings program to help pay for college or other higher education—it has become incomplete. Amendments to federal and state tax law since the time DFI-CSP 1.01 was promulgated have established that college savings program funds may also be used for other purposes, including the costs of elementary or secondary school attendance, the costs of participating in certified apprenticeship programs, and rollover contributions to beneficiaries' retirement accounts. The Board seeks to update this and similar references in its administrative rules to remove outdated language and more accurately reflect the full range of currently permissible uses of invested funds under applicable tax law.

Second, the proposed revisions modify the structure of existing rules to conform to current Wisconsin drafting practices, which will provide greater clarity and consistency with the drafting style of other statutes and rules administered by the agency.

Summary of written comments, agency's response, and explanation of any modifications as a result of comments or testimony:

The Department received no written comments either electronically or by USPS.

Summary of comments received at the August 28, 2024, public hearing, persons appearing or registering for or against the rule at hearing:

No persons registered for or against the rule at the hearing, and no member of the public appeared at the (Microsoft Teams) public hearing.

Changes to analysis or fiscal estimate: None.

Response to legislative council recommendations: Both of the Council's recommendations, which related to form, style, and punctuation, were adopted. The Council did not raise any substantive concerns.

Final regulatory flexibility analysis, changes to energy impact report, housing impact analysis, and response to any report prepared by the SBRRB: Not applicable.