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State of Misconsin 2015 - 2016 LEGISLATURE

LRB-0931/1 ARG:jld

2015 ASSEMBLY BILL 1017

March 29, 2016 – Introduced by Representatives Genrich, Pope, Sargent, Mason, Danou, Brostoff and Spreitzer. Referred to Committee on Colleges and Universities.

AN ACT to amend 69.14 (1) (a) 1., 69.14 (1) (a) 3. a. and 69.14 (1) (a) 3. b.; and to create 16.641 (3m) and 20.505 (1) (e) of the statutes; relating to: establishing college savings accounts for children born in this state and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the College Savings Program Board, which is administratively attached to the Department of Administration, administers the state's college savings program, commonly known as "EdVest." This bill requires DOA to establish an EdVest account, and to contribute \$150 to the account, for each child born in this state on or after the effective date of the bill if at least one of the child's parents is a resident of this state.

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:

Section 1. 16.641 (3m) of the statutes is created to read:

16.641 (3m) ACCOUNTS ESTABLISHED BY THE DEPARTMENT. (a) For each certificate of birth made available to the department under s. 69.14 (1) (a) 1. or each copy

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SECTION 1

- forwarded to the department under s. 69.14 (1) (a) 3. a., if either parent of the child who is the subject of the birth certificate resides in this state according to the birth certificate, the department shall establish a college savings account under this section for the child, with the child identified as the account beneficiary and the department identified as the account owner. From the appropriation under s. 20.505 (1) (e), the department shall make a contribution into this account of \$150 within 90 days of the date of the child's birth.
- (b) Notwithstanding sub. (3), for any college savings account established by the department under this subsection, all of the following apply:
- 1. The account owner may not change the beneficiary of the account or transfer any portion of the account to another college savings account.
- 2. The account owner may not designate any person other than the beneficiary as a person to whom funds may be paid from the account and the account owner may not receive distributions from the account.
- 3. The minimum initial contribution for the account is \$150 and there is no minimum account balance.
- 4. The account owner may terminate the account only if any of the following applies:
 - a. The beneficiary dies.
- b. The beneficiary is at least 26 years of age and has never enrolled in an institution of higher education.
 - c. The beneficiary is at least 36 years of age.
- d. The balance of the account has fallen to zero and, after notice by the account owner, the beneficiary has advised the account owner that no further contributions to the account will be made.

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5. If, at the time an account is terminated, no contribution was made to the account other than the \$150 contribution under par. (a) and if the beneficiary did not use any moneys in the account to pay for qualified educational expenses, the balance of the account at the time of termination shall be distributed by transferring it to the general fund.

SECTION 2. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2015-16 2016-17

20.505 Administration, department of

- (1) SUPERVISION AND MANAGEMENT
- (e) Establishing college savings

12 accounts GPR A -0- -0-

SECTION 3. 20.505 (1) (e) of the statutes is created to read:

20.505 (1) (e) Establishing college savings accounts. The amounts in the schedule to pay contributions to college savings accounts under s. 16.641 (3m) (a).

SECTION 4. 69.14 (1) (a) 1. of the statutes is amended to read:

69.14 (1) (a) 1. Except as provided under subd. 2., a certificate of birth for every birth that occurs in this state shall be filed within 5 days after the birth with the state registrar, who shall register the birth under this subchapter and shall make a copy of the certificate of birth available to the department of administration, to the registration district in which the birth occurred, and to the registration district in which the mother of the registrant resided at the time of the birth.

SECTION 5. 69.14 (1) (a) 3. a. of the statutes is amended to read:

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69.14 (1) (a) 3. a. Make a copy of the certificate and, forward the original to the
register of deeds within 2 days, and forward a copy to the department of
administration within 2 days;
SECTION 6. 69.14 (1) (a) 3. b. of the statutes is amended to read:
69.14 (1) (a) 3. b. Send any copy required under s. 69.05 (3m) and, except as
provided in subd. 3. a., issue no other copy to any person; and
SECTION 7. Initial applicability.
$(1) \ \ The \ treatment \ of \ sections \ 16.641 \ (3m) \ (a) \ and \ 69.14 \ (1) \ (a) \ 1. \ and \ 3. \ a. \ of \ the \ (2m) \ (2m)$
statutes first applies to children born on or after the effective date of this subsection.
Section 8. Effective date.
(1) This act takes effect on the first day of the 4th month beginning after
publication.

(END)