

HOUSE BILL NO. 6483

December 02, 2020, Introduced by Rep. Wittenberg and referred to the Committee on Education.

A bill to amend 2000 PA 161, entitled
"Michigan education savings program act,"
(MCL 390.1471 to 390.1486) by adding section 7a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 7a. (1) In connection with the treasurer's administration**
2 **of the Michigan education savings program under this act, the**
3 **treasurer shall establish and administer an education savings**
4 **account project under which an education savings account is**

1 established for every child born or adopted after December 31, 2020
2 to a parent who resides in this state at the time of the birth or
3 adoption.

4 (2) The establishment of an education savings account for an
5 eligible child under this section does not prohibit the
6 establishment of 1 or more other education savings accounts for
7 that child under section 7.

8 (3) The treasurer shall begin establishing the education
9 savings accounts described in subsection (1) in 2021, after
10 receiving records of recent births, adoptions, and dependents from
11 the department of treasury, the department of health and human
12 services, the state registrar, or another state or local government
13 agency designated by the treasurer. Notwithstanding any law or
14 court order that would otherwise prevent the release of
15 information, the department of health and human services and state
16 registrar are authorized to release the information specified under
17 this subsection to the treasurer for the purpose of establishing
18 and administering the education savings account project under this
19 section.

20 (4) On and after the effective date of the amendatory act that
21 added this section, the department of treasury, the department of
22 health and human services, and the state registrar shall provide
23 the treasurer with information on recent Michigan births,
24 adoptions, and dependents, including, but not limited to, the full
25 name, residential address, and birth date of each child and each
26 child's parent or legal guardian, for the purpose of establishing
27 education savings accounts for eligible children. The department of
28 treasury, the department of health and human services, and the
29 state registrar shall provide this information to the treasurer on

1 a quarterly basis by not later than 30 days after the end of each
2 quarter.

3 (5) Information that the treasurer obtains under subsection
4 (3) or (4) is not subject to disclosure under the freedom of
5 information act, 1976 PA 442, MCL 15.231 to 15.246, and the
6 treasurer shall ensure the security and confidentiality of that
7 information.

8 (6) After receiving information on recent births, adoptions,
9 and dependents as described in subsection (3) or (4), the treasurer
10 shall, subject to appropriation, make a deposit of seed funds into
11 an omnibus account of the fund on behalf of each eligible child.
12 The treasurer will be the owner of the omnibus account.

13 (7) Except as otherwise provided in this subsection, the seed
14 fund deposit for each eligible child under subsection (6) is
15 \$50.00. The treasurer may increase this amount by rule. The
16 treasurer may use or deposit appropriated money together with money
17 received as gifts, grants, or contributions into the fund. If
18 insufficient money is available in the fund, the treasurer may
19 reduce the deposit amount or forego deposits.

20 (8) Seed funds, including any interest, dividends, and other
21 earnings accrued, may be used by a project beneficiary for
22 qualified higher education expenses if the project beneficiary is
23 currently a resident of this state and has completed secondary
24 education or reached the age of 18.

25 (9) The treasurer shall make a good-faith effort to notify
26 project beneficiaries and their parents or legal guardians of the
27 seed funds' availability and the deadline to use the funds.

28 (10) Seed funds that remain unused by a project beneficiary's
29 twenty-sixth birthday will be considered forfeited and must remain

1 in the omnibus account for future eligible children.

2 (11) The education savings account project fund is created
3 within the state treasury. All of the following apply to the fund:

4 (a) The treasurer may receive money or other assets from any
5 source for deposit into the fund. The treasurer shall direct the
6 investment of the fund. The treasurer shall credit to the fund
7 interest and earnings from fund investments.

8 (b) Money in the fund at the close of the fiscal year must
9 remain in the fund and not lapse to the general fund.

10 (c) The treasurer is the administrator of the fund for
11 auditing purposes.

12 (d) The treasurer shall expend money from the fund, upon
13 appropriation, only for the purposes described in this section.

14 (12) The treasurer shall annually prepare a report that
15 includes a summary of the project operations for the preceding
16 fiscal year, including the number of children enrolled in the
17 project, the total amount of seed fund deposits, and any other
18 information that is relevant to make a full disclosure of the
19 operations of the project and fund. The report must be made
20 available on the treasurer's website by January 31 each year,
21 starting in January of 2022. The treasurer may include the project
22 in other reports as warranted.

23 (13) The treasurer shall promulgate rules to implement this
24 section pursuant to the administrative procedures act of 1969, 1969
25 PA 306, MCL 24.201 to 24.328.

26 (14) As used in this section:

27 (a) "Eligible child" means a child born or adopted after
28 December 31, 2020 to a parent who resides in this state at the time
29 of the birth or adoption, as described in subsection (1).

1 (b) "Fund" means the education savings account project fund
2 created in subsection (11).

3 (c) "Omnibus account" means the pooled collection of seed
4 funds owned and managed by the treasurer under this section.

5 (d) "Project" means the education savings account project
6 described in subsection (1).

7 (e) "Seed funds" means the deposits made by the treasurer into
8 the omnibus accounts for project beneficiaries.