Department of Legislative Services Maryland General Assembly 2004 Session

FISCAL AND POLICY NOTE

House Bill 447	(Chairman, Appropriations Committee)
	(By Request – Departmental – College Savings Plans of Maryland)
Appropriations	Budget and Taxation

College Savings Plans of Maryland Board - Annual Reports

This departmental bill extends by 30 days the deadline for the College Savings Plans of Maryland Board to submit its annual report on the Maryland Prepaid College Trust and the Maryland College Investment Plan. The report would be due within 120 days after the close of each fiscal year.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: Extending the deadline for the College Savings Plans of Maryland Board to submit its annual report would not materially impact State finances.

Local Effect: None.

Small Business Effect: The College Savings Plans of Maryland Board has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Within 90 days of the closing of each fiscal year, the College Savings Plans of Maryland Board is required to submit its annual report on the Maryland Prepaid College Trust and the Maryland College Investment Plan. The board is authorized to combine the reports for the two programs.

Background: The Maryland Prepaid College Trust was established by Chapters 110 and 111 of 1997, and the Maryland College Investment Plan was established by Chapter 494 of 2000. The two programs were created to provide tax-free investment opportunities that can be used to pay higher education costs for designated beneficiaries. The Maryland Higher Education Investment Board was established in 1997 to administer the trust. When the college investment plan was created, the board was given the responsibility of administering it too. Chapter 382 of 2003 changed the name of the board to the College Savings Plans of Maryland Board and authorized the board to combine the annual reports for the two programs it administers.

The College Savings Plans of Maryland Board advises that, since the Maryland College Investment Plan began in 2001, the volume of information to be conveyed in the annual report has increased significantly. The board has not been able to abide by the September 30 deadline and requests a change in the law to allow for a later submission deadline.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): College Savings Plans of Maryland, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2004 n/hlb

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