

# SENATE BILL 933

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By: **Senator Kasemeyer**

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland College Investment Plan – State Match Requirement – Revisions**

3 FOR the purpose of requiring the Maryland 529 Board to develop an application form for a  
4 certain State contribution program that includes certain information; altering the  
5 date by which a certain contribution must be made to receive a certain State  
6 matching contribution; altering the date by which the Board is required to develop  
7 and implement a certain outreach and marketing plan; requiring the outreach and  
8 marketing plan to include certain elements; requiring the Board to submit a certain  
9 report to the General Assembly by a certain date; making conforming changes;  
10 providing for the application of this Act; and generally relating to the Maryland  
11 College Investment Plan.

12 BY repealing and reenacting, with amendments,  
13 Article – Education  
14 Section 18–19A–04.1  
15 Annotated Code of Maryland  
16 (2014 Replacement Volume and 2017 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
18 That the Laws of Maryland read as follows:

19 **Article – Education**

20 18–19A–04.1.

21 (a) For investment accounts established after December 31, 2016, a State  
22 contribution may be made to an investment account as provided in this section if:

23 (1) The qualified beneficiary of the investment account is a Maryland  
24 resident;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)    The account holder submits an application to the Board or its designee  
2 between January 1 and June 1 of each year; and

3           (3)    The account holder has Maryland taxable income **IN THE PREVIOUS**  
4 **TAXABLE YEAR** no greater than \$112,500 for an individual or \$175,000 for a married  
5 couple filing a joint return [in the previous taxable year].

6           (b)    (1)    An application may be made in person, online, or by mail.

7           (2)    The Board shall **DEVELOP**:

8                   (i)    [Establish a list of documentation that must be submitted with  
9 the application, including documents that establish Maryland taxable income and  
10 Maryland residency] **AN APPLICATION FORM THAT:**

11                           **1. INCLUDES PERMISSION FOR CONFIRMING**  
12 **MARYLAND TAXABLE INCOME WITH THE COMPTROLLER; AND**

13                           **2. ALLOWS FOR CERTIFICATION OF MARYLAND**  
14 **RESIDENCY;**

15                   (ii)    A procedure to certify the date and time of receipt of an  
16 application; and

17                   (iii)   Any other necessary procedures for the submittal of applications.

18           (c)    (1)    For an account holder with Maryland taxable income of less than  
19 \$50,000 for an individual or \$75,000 for a married couple filing a joint return who [makes  
20 an annual contribution of] **CONTRIBUTES** at least \$25 per beneficiary **DURING THE**  
21 **CONTRIBUTION PERIOD IN SUBSECTION (E) OF THIS SECTION**, the State shall provide  
22 an additional \$250 per beneficiary.

23                   (2)    For an account holder with Maryland taxable income of at least \$50,000  
24 but less than \$87,500 for an individual or at least \$75,000 but less than \$125,000 for a  
25 married couple filing a joint return who [makes an annual contribution of] **CONTRIBUTES**  
26 at least \$100 per beneficiary **DURING THE CONTRIBUTION PERIOD IN SUBSECTION (E)**  
27 **OF THIS SECTION**, the State shall provide an additional \$250 per beneficiary.

28                   (3)    For an account holder with Maryland taxable income of at least \$87,500  
29 but no greater than \$112,500 for an individual or at least \$125,000 but no greater than  
30 \$175,000 for a married couple filing a joint return who [makes an annual contribution of]  
31 **CONTRIBUTES** at least \$250 per beneficiary **DURING THE CONTRIBUTION PERIOD IN**  
32 **SUBSECTION (E) OF THIS SECTION**, the State shall provide an additional \$250 per  
33 beneficiary.

1 (d) (1) The Governor shall appropriate in the budget bill at least the following  
2 amounts for State contributions:

3 (i) \$5,000,000 in fiscal year 2018;

4 (ii) \$7,000,000 in fiscal year 2019; and

5 (iii) \$10,000,000 in fiscal year 2020 and each fiscal year thereafter.

6 (2) If the funding provided in a fiscal year is not sufficient to fully fund all  
7 State contributions authorized under this section, the Board shall:

8 (i) Provide contributions in the order in which applications are  
9 received; and

10 (ii) Give priority to applications of account holders who did not  
11 receive a contribution in any prior year.

12 (e) (1) An account holder [who has been approved to receive a State  
13 contribution] shall [make a contribution between July 1 and] **CONTRIBUTE AT LEAST THE**  
14 **AMOUNT SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION ON OR BEFORE**  
15 November 1 of each year in order to qualify for the State contribution.

16 (2) A State contribution shall be made by December 31 of the calendar year  
17 in which the account holder made the contribution.

18 (f) An account holder is not eligible for the subtraction modification under  
19 § 10–208 of the Tax – General Article for any taxable year in which the account holder  
20 receives a State contribution.

21 (g) (1) The Board shall develop and implement by September 1, [2016] **2018**,  
22 an outreach and marketing plan to provide notification to individuals about the availability  
23 of a State contribution.

24 (2) **THE OUTREACH AND MARKETING PLAN SHALL:**

25 (I) **MAKE USE OF A VARIETY OF MARKETING MEDIA,**  
26 **INCLUDING BILLBOARDS, BROCHURES, AND ELECTRONIC RESOURCES; AND**

27 (II) **PROVIDE A CENTRALIZED CONTACT POINT FOR**  
28 **INDIVIDUALS TO OBTAIN INFORMATION ABOUT OPENING AN ACCOUNT AND THE**  
29 **AVAILABILITY OF A STATE CONTRIBUTION.**

30 (3) **BY DECEMBER 1, 2018, THE BOARD SHALL SUBMIT A REPORT IN**  
31 **ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE TO THE**  
32 **GENERAL ASSEMBLY ON THE DETAILS OF THE OUTREACH AND MARKETING PLAN.**

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
2 apply retroactively and shall be applied to and interpreted to affect investment accounts  
3 established after December 31, 2016.

4           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
5 1, 2018.